

# Paris Spurns Italians and Belgians for Nuclear Vote

## Allies' Action in UN To Condemn Testing Arouses French Anger

By Craig R. Whitney  
New York Times Service

PARIS — France angrily canceled meetings with the leaders of Italy and Belgium on Friday because their countries had voted for a United Nations resolution strongly deploring French and Chinese nuclear testing.

The resolution called for an immediate end to nuclear testing, which has been conducted only by France and China this year. Ten European Union countries voted for the measure, but France singled out Italy and Belgium, both members of the European Union and the North Atlantic Treaty Organization, to show its displeasure. President Jacques Chirac was to meet with the leaders of both countries next week.

Catherine Colonna, Mr. Chirac's spokeswoman, said that he had decided to postpone a meeting with the Belgian prime minister, Jean-Luc Dehaene, on Wednesday and call off a summit with the Italian prime minister, Lamberto Dini, in Naples next Friday.

"The circumstances were not appropriate," Ms. Colonna said Friday afternoon.

Italy, Belgium, the Netherlands, Portugal, Ireland, Sweden, Finland, Austria, Luxembourg and Denmark were among 95 countries that voted for a resolution by a United Nations committee deploring all current nuclear testing. Germany, Spain and Greece abstained, as did the United States. Britain and France were among the 12 countries that voted against the resolution.

Mr. Chirac resumed French testing in the South Pacific in September but said France would sign a comprehensive test ban treaty and make the current series of tests its last. They will end early next year, Mr. Chirac says, after France has tested a new warhead for its submarine-based nuclear deterrent and acquired the capability of simulating future tests by computer.

"We deplore the position taken by some European nations, particularly our partners

See FRANCE, Page 4



PARIS PROTEST — French students using a coffin Friday to symbolize the failing health of their universities. Page 2.

# Hint of Clinton Budget Concession

Compiled by Our Staff From Dispatches

WASHINGTON — The political test of strength over the federal budget showed signs of easing Friday even as President Bill Clinton prepared to veto the latest Republican plan to put the government back in business.

The first breath of compromise came from the Senate Democratic leader, Tom Daschle, who said Mr. Clinton might be willing to back off from his demand for a temporary government finance bill without any Republican strings attached. He predicted that "a middle ground" would be found in the dispute.

But there were perhaps as many negative signs as positive. The White House said Mr. Clinton would veto a military spending bill that was larger than he wanted, and the House

adopted and sent to the Senate on Friday a balanced-budget bill that the president has also vowed to veto as "bad for America."

The long-term House budget bill would cut \$1 trillion in spending to achieve a balanced budget by 2002. It was approved, 237 to 189, with the vote split nearly along party lines.

For the impasse to end, Mr. Daschle said, Republicans would have to move away from their "hard-core, hard-line" dictates for a seven-year balanced budget that would force deeper spending cuts than Mr. Clinton wants.

Some analysts saw a hint of compromise in the low-key orchestration of Mr. Clinton's veto of a temporary financing bill

See BUDGET, Page 4

# Top U.S. Officials Join Bosnian Talks in Sign Of Hope for Accord

Compiled by Our Staff From Dispatches

DAYTON, Ohio — Stirring hopes for peace, the Clinton administration brought top military officials here Friday to review what could be the makings of a comprehensive agreement on ending the war in Bosnia.

But the White House cautioned against assuming a deal was at hand.

Amid the flurry of activity, there were sharply different assessments within the administration of how close the parties were to an agreement.

Two military officials said the hope was to announce initialing of an agreement Sunday night or Monday.

The White House spokesman, Michael McCurry, said: "We're not at a stage yet where we can be optimistic or pessimistic. They're wrestling with the most difficult issues. I don't think there's any guarantee of success."

Defense Secretary William J. Perry and the top NATO commander joined the talks Friday at Wright-Patterson Air Force Base near Dayton, and Secretary of State Warren M. Christopher was en route after cutting short a visit to Japan. A source close to the talks said there was a strong possibility that President Bill Clinton would fly to Dayton if a peace agreement is reached.

Mr. Clinton's national security adviser, W. Anthony Lake, secretly flew here Thursday evening for separate meetings with the leaders of the Muslim, Serbian, and Croatian delegations, who have been holed up with U.S. and European negotiators for the past two weeks at the air base.

In another hopeful sign, President Franjo Tudjman of Croatia said Friday that Serbia and Croatia had agreed to fully normalize ties.

Despite the latest involvement of top-level Clinton administration officials, the State Department was cautious in its public comments on Friday.

"I can tell you, after discussions with participants in the talks this morning, that that agreement is not yet attained," said the State Department spokesman, Nicholas Burns. He said "the parties are still separated in fairly substantial ways on several of the major issues."

He cited territorial questions as well as the status of Sarajevo.

An administration official said Mr. Clinton's decision to dispatch Mr. Lake and Mr. Perry was a positive sign. This official described the talks as being narrowed to "a couple of map issues."

Still outstanding was the Serbs' insistence on a corridor that gives them access to the Adriatic to the south and Serbia to the north.

The emerging agreement is a package deal that will preserve Bosnia as a unified state in theory, while in effect dividing the country almost equally into separate entities controlled by a Muslim-Croatian federation and the Bosnian Serbs. Sources close to the talks said that the capital, Sarajevo, is likely to be given a special status as a unified city divided into approximately 10 districts, each with the power to control its own affairs. (AP, WP)

Reuters reported from Zagreb: President Tudjman said Friday that Serbia and Croatia had agreed to fully normalize ties four years after Zagreb's secession from former Yugoslavia.

He said in a televised address that the agreement would be signed in the United States after a final Bosnian deal had been scaled.

# Lubbers Veto Is Linked to Concern Over Balkan Force

By Joseph Fitchett  
International Herald Tribune

PARIS — The Clinton administration vetoed Rudi Lubbers, the former Dutch prime minister, to be NATO's secretary-general, even at the price of trans-Atlantic diplomatic strains, because of U.S. concern about the perils of a planned peacekeeping mission in Bosnia.

Policymakers in Washington concluded that Mr. Lubbers was "too woolly minded" for the job, in one official's phrase, considering that U.S. ground troops are about to join the alliance's biggest combat operation.

The Clinton administration, faced with congressional doubts about the Bosnian mission, wants the alliance's civilian leader to be someone who can communicate effectively in Washington.

In addition, American officials want a strong-minded NATO secretary-general who will brush off political interference by the United Nations or anybody else once allied troops are deployed in Bosnia.

It was mainly because Mr. Lubbers failed to convince Washington that he could deliver in these respects — and not pique over the fact that European governments went public about their desire to see him get the job — that the Clinton administration balked, U.S. officials said.

"Frankly, he bombed in the talks," an official said.

Several Clinton administration aides said that Mr. Lubbers sowed doubts, particularly in the Pentagon, that he had the military credibility and personal decisiveness to sustain backing for the North Atlantic Treaty Organization in Bosnia if allied forces started incurring casualties.

The White House concluded that Mr. Lubbers might be a liability in its campaign to win congressional backing. That domestic priority outweighed State Department concern about offending the European allies.

In Washington these days, an official said, "Europe is Bosnia and Bosnia is Europe." That mood had escaped European leaders, but partly because the Clinton administration failed to signal its views adequately.

Part of the problem, a defense official said, arose from the fact that "almost no one on the Clinton team knew either candidate." Both Mr. Lubbers and the other candidate, Uffe Ellermann-Jensen, the former Danish foreign minister, were in office during

See NATO, Page 4

# The Irish and Divorce: Divisiveness Tears at Nation

By Fred Barbash  
Washington Post Service

DUBLIN — In 1937, when Ireland wrote its constitution, it intertwined the law of the Roman Catholic Church and the law of the state in a marriage that the country's founding fathers hoped would never be torn asunder.

Since that time, successive generations have battled over disentangling the two, with each side winning some and losing some. Last year, the issue was a law allowing women access to information about abortion, which itself is illegal.

Now they are engaged in struggle once again, this time over lifting the constitution's ban on divorce, despite the church's teachings against it. The issue will be decided in a referendum Friday, and this battle already has shown it may be the most passionate yet — as well as very close.

Every day, new placards go up. Every night, new debates appear on television. Each separated woman in favor of legalizing divorce is matched by another opposed, with an equally sad tale to tell. For very study, there is an interpretation and a counterinterpretation. While all the major parties are formally in favor of a "yes" vote, many of individual members are not. The constitutional amendment would permit divorce for couples separated for one of the previous five years.

Across the country, pros, cons and undecideds are gathering to argue. Dropping in on Templeogue, a southern suburb of Dublin, one can hear in their voices, and tell by their questions, that this is not only about divorce, or about the "limbo" status of 80,000 people separated from their spouses, or about the unknown numbers of people in "second relationships" unable to remarry because they cannot legally sever their first marriage.

Listening to them in Templeogue, it is apparent that this is also about the fabric of a nation.

On the one side: If we say "yes," will it not destroy the Irish family and devalue the sacred institution of marriage? Will it not break up family farms, impoverish women and reward deserting fathers?

On the other: If we say "no," won't it condemn thousands to a continued life in limbo? Won't it violate equally sacred individual rights of free choice?

Indeed, support for legalizing divorce is falling. A poll published Friday in the Independent said only 47 percent of the electorate would vote to end the ban, a fall from 62 percent in a month. The poll said

39 percent would vote against, while 14 percent were undecided.

Reuters reported from Dublin: The Irish Supreme Court ruled Friday that the government was in breach of the constitution in spending money to publicize the divorce referendum. Reuters reported from Dublin.

The court ruled in favor of an appeal by a member of the European Parliament from the Greens party, Patricia McKenna, who challenged a government decision to spend \$800,000 to publicize the referendum. She said the campaign favored a "yes" vote.

## AGENDA

### Clinton Apologizes to the Japanese

EUROPE Page 2.  
Clash of Styles in Polish Election

THE AMERICAS Page 3.  
House Sweeps 'Freebies' Away

ASIA Page 7.  
China and U.S. Set New Contacts

BUSINESS/FINANCE Page 15.  
Paris and Bonn Share EMU Goal

THE MONEY REPORT Page 21.  
Forecast for Insurance Stocks

Opinion Page 6. Crossword Page 24.  
International Classified Page 4.

WASHINGTON (AP) — Two days after canceling a trip to Japan, President Bill Clinton on Friday expressed his "personal regret and outrage" over the rape of an Okinawan girl for which three U.S. servicemen have been arrested.

Hoping to soothe hurt feelings in Tokyo over the cancellation, the president also promised to visit Japan "as quickly as I can."

Mr. Clinton had planned to use the trip to express remorse for the Okinawa incident. "On behalf of the American people, we want the Japanese people to know we share their outrage and their pain and I want to express my personal regret and outrage to the family and the young woman and to all the people of Okinawa," Mr. Clinton said. "It's a terrible thing."



APEC POSITIONING — Mickey Kantor, U.S. trade chief, left, and Warren Christopher, secretary of state, reviewing a statement that the forum will send to Sunday's meeting of Asian and Pacific leaders in Osaka, Japan. Page 15.

# Subway Madness: Beijing's Growing Pains Ring Out Underground

By Patrick E. Tyler  
New York Times Service

BEIJING — "Hey, don't you know how to ride a train?" the woman on the Beijing subway yelled as she pushed past two peasants so overloaded with luggage that they were blocking the door. "Move over and make room for those of us who want to get off!"

It is rush hour in the Chinese capital and the people of Beijing, like so many sardines, are trying to get in and out of their frightfully overcrowded subway system.

Riding on a mere 40 kilometers of underground track, the dilapidated trains of the Beijing subway carry 1.46 million people a day. About 70 percent of them are the transient laborers who have flooded the

city to work at thousands of construction sites. The average railcar here, designed to carry 180 people, now consumes about 300 passengers during rush hour.

Full body contact and brief, terrifying stampedes for the door are part of commuting life, along with stale air and, perhaps, the whiff of a cow party still wedged in the shoe leather of a visiting farmer.

"Most of the young women in my hospital don't take the subway because so many country bumpkins ride the subway and they wear dirty clothes and carry dirty baggage," said Zhang Mei, a 27-year-old nurse from Beijing Hospital. "You can't wear your pretty clothes and take the subway. By the time you get to work, your pretty clothes are filthy."

Her eyes narrowed as she spied her adversary.

"Look at those teenagers," she said. "They are the typical bumpkins I am talking about."

The unkempt teenagers are from Sichuan Province, population 105 million. Their hair stands as a tangled rebellion above ruddy cheeks. Each carries a quilt stuffed in a plastic fertilizer bag, standard luggage for frugal peasants who do not mind sleeping on sidewalks.

"We are all from Sichuan, but I don't want to give you my name," a 19-year-old said. "We do odd jobs and we live near the railway station," he added, quickly disappearing into the crowd.

With the harvest over, the migrant population flooding into Beijing will push toward the 2 million mark. The capital's public transportation system, already overloaded, is approaching its limits.

"This job can be very tough," said Qi Yuan, who wore a smart, aquamarine uniform on the platform at a subway stop named Build the Nation. Her job is to yell at passengers to "Hurry up!" and "Don't push!" as they enter and leave trains. When the doors stop banging against the body parts hanging over the threshold, Ms. Qi holds up a green paddle that serves as the "all clear" signal to the train conductor.

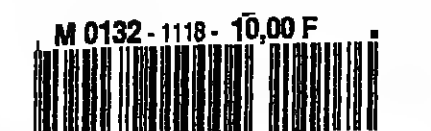
"When a train comes in, so many people rush the entrance that it can be dangerous," she said. "A lot of these country people simply don't know the safety rules and sometimes they get into fights over the seating."

Many residents of Beijing attribute much of the

See BEIJING, Page 4

Dow Jones	Trib Index
Up 20.59	Up 0.40%
4989.95	126.33
The Dollar	
New York	Fr. close
1.4073	1.4085
DM	1.5659
Pound	1.5433
Yen	102.15
FF	4.8482

Newsstand Prices	
Andorra	10.00 FF
Antilles	12.50 CFA
Cameron	1.600 CFA
Egypt	1.000 FF
France	10.00 FF
Gabon	1.100 CFA
Greece	350 Dr.
Italy	2.800 Lira
Ivory Coast	1.250 CFA
Jordan	1.250 JD
Lebanon	1.800 L.L.
Luxembourg	65 L. Fr
Morocco	14 Dh
Qatar	1.000 Riels
Reunion	12.50 FF
Saudi Arabia	10.00 FL
Senegal	1.100 CFA
Spain	225 PTAS
Tunisia	1.250 Din
Turkey	1.000 TL
U.A.E.	10.000 Dirh
U.S. M.L. (Eur.)	\$1.20





# Clashing Styles Mark Polish Presidential Face-Off

By Christine Spolar  
Washington Post Service

**WARSAW** — To see and hear President Lech Walesa and his post-Communist challenger, Aleksander Kwasniewski, debate Poland's future, one would think they were political brethren: both want to move toward a free market, both seek the stamp of NATO and European Union approval, both demand faster privatization.

But then Mr. Walesa looks into the television cameras, assumes an exaggerated pout and says that he fears a Bolshevik, a criminal, a villain among the crowd. Mr. Kwasniewski ignores the gibe and continues, articulately if somewhat doggedly, to assert that he can best lead Poland beyond the past.

Six years after the fall of communism, in their second free presidential

election, Poles are facing a referendum Sunday not on democracy or its reforms, but on memory.

And the contest, firmly rooted in democratic principles, remains too close to call, surveys indicate.

Despite campaign oratory that warns darkly of a return to Communist times, change is not at stake here. Neither is ideology nor the commitment to democracy. Instead the vote has pushed Poles to turn private misgivings into a public question of confidence. What should they remember and whom can they trust?

"It's not a question of them going back," said a longtime Western diplomat. "Rather, people have chosen this as a face-off. Perhaps because they need a face-off to sort things out. They have 45 years of baggage."

This last round of Walesa vs. Kwas-

niewski has set off, in the final two weeks of campaigning, an unnerving, nasty and sometimes contradictory examination of values in the country that lit the flame of revolutionary fire in Eastern Europe.

By their very natures, the candidates — the graying, portly, earthy Mr. Walesa and the savvy, tanned, facile Mr. Kwasniewski — are confounding the natural instincts of voters in a country once hamstrung by Soviet inefficiencies and now leading among the region's emerging markets.

Five years ago, the second-round choice was between the Solidarity trade union hero, Mr. Walesa, and a nationalist unknown, Stan Tymiński. Then, voting for Mr. Walesa meant to fight against evil, as a pollster, Lena Kolarska-Bobinska, said this week.

But now, she said, "even for those

who are anti-Communist, Aleksander Kwasniewski appears as a tamed evil."

Indeed, Mr. Kwasniewski will emerge a winner even if his candidacy fails. He garnered 6 million votes in the first round. Since 1993, when his coalition won overwhelmingly in Parliament, he has shored up his base as a legitimate alternate to the right. And he has laid the groundwork for another run in five years.

Mr. Walesa, the 52-year-old electrician turned statesman, made a remarkable comeback Nov. 5 after bottom-rung popularity ratings through his presidency. In the first round, in which 13 candidates competed, both men won nearly the same percentage, with Mr. Kwasniewski slightly on top with 35 percent of the returns.

The latest surveys show that the

race is too close to call. As much as 63 percent of the nation's 28.5 million voters are expected to go to the polls.

In the end, Poles have asked for a showdown between two candidates vastly different in image and background, which perhaps explains why both men have large negative ratings among prospective voters.

Mr. Walesa, the Nobel laureate who personified the struggle against the Communist regime, has repelled supporters by his confrontational style of governing and a sometimes bullheaded refusal to admit mistakes.

Mr. Kwasniewski, 41, a member of the Communist Party until the system collapsed around him, has emerged as the most accomplished of his Democratic Left Alliance coalition, a distinction that has earned him antipathy from rightist and centrist followers.



**ATHENS JAIL RIOT** — Inmates wearing protection against tear gas being used by Greek police Friday, the fourth day of a revolt at the Korydallos prison. Also Friday, a foreign inmate was hanged and burned by the rioters.

## French Students Press For Money, Not Marx Paris Protest Targets Budget

By Craig R. Whitney  
New York Times Service

**MARNE-LA-VALLEE, France** — In 1968, French students took to the streets and nearly made a revolution. In 1995, they are taking to the streets again — for more professors, bigger classrooms and better libraries from the government so they can study harder and find good jobs.

That is the message from the barricades around the architecturally stunning cantilevered and glass-paneled buildings of the new university here. And it is essentially the same in some 15 other French universities on strike this month for better working conditions.

Not Marxism, but more money for alma mater is what

French students want in these budget-cutting days, reflecting a revolution of a different sort that began in higher education in France and much of the rest of Europe after 1968. Then, there were 300,000 students in French universities. Today, there are 1.5 million, and many of the 79 state-funded universities are bursting at the seams.

The university administration agrees that the campus needs more oomphing administrative personnel and more permanent professors, and the strikes here and elsewhere have been low-key, with most classes continuing despite the occupations of university buildings.

This week the lecture halls here were packed with students plotting the most effective strategy to get more money for their studies out of the Education Ministry in Paris, where thousands of them will converge on Tuesday to step up pressure to make the minister, François Bayrou, come up with more money.

France will spend 43 billion francs (\$8.6 billion) on the universities this year, only 4 percent more than in 1994, though there are about 5 to 6 percent more students. All they pay is their own room and board, books, and a 670-franc (\$135) annual registration fee. Tuition is free.

So when unemployment started hitting double-digit levels in the early 1990s, many high school graduates who might have pounded the pavements in a good job market started hitting the books instead.

The result was explosive growth at universities like this one, which opened in 1989 with 166 students and 14 teachers and administrative personnel. This year there are 5,903 students and 347 teachers and non-teaching personnel — not enough, many students say.

Overcrowding is also a problem in Germany and other European state-funded university systems where the only admissions requirement is a high school diploma.

Socialist governments in the late 1980s and early 1990s increased the education budget by 10 percent a year in some years. But President Jacques Chirac's conservatives have limited the increases in the past two years to just above the rate of inflation.

So on Friday the entrance halls of the main administration building at Marne-la-Vallée were festooned with banners like this one: "Spare some change to continue our studies."

"I think we have a problem of budget growth," said Bernard Dismont, a senior official of the Conference of University Presidents in Marne-la-Vallée, "but what the students want is unrealistic."

## Germans to Keep Eye on Russia

**FUERSTENFELDBRUCK, Germany** — Russian troop and weapon movements will continue to be watched by Germany after Moscow became a technical violator of a European arms control agreement Friday.

Military sources at this German air base said that Moscow had already agreed to allow Germany, the only Western country carrying out monitoring flights over Russia, to make at least six more flights next year.

Russia moved into violation of the Conventional Forces in Europe treaty by failing to agree to reduce its military border strength before the Friday deadline.

(Reuters)

## Argentina to Give Italy Ex-Nazi

**ROME** — A former Nazi SS officer, Erich Priebke, will be flown under police escort to Italy next week to face a war crimes trial after he lost his fight against extradition from Argentina, official Italian sources said Friday.

They said the 82-year-old former captain, who was sought on charges of crimes against humanity, would be put on a special flight from Argentina on Monday and arrive in Italy on Tuesday.

Mr. Priebke, who has lived openly in the Andean ski resort of Bariloche since 1948, is wanted for the massacre of 335 men and boys at the Ardeatine Caves just south of Rome in March 1944.

(Reuters)

## Italian Party Threatens to Bolt

**ROME** — Italy's federalist Northern League walked out of the Senate during a budget debate Friday in a dispute over immigration, and a party leader said it could pull out of Parliament as the next step.

The threat by Francesco Tulliani, Northern League leader in the upper house, raised the stakes in a political debate over how much to get on illegal immigrants. They are blamed by the party for a rise in crime.

He said the party would decide its next step at a meeting of its self-styled "northern parliament" Saturday.

(Reuters)

## Britain Tries to Spur Ulster Talks

**LONDON** — Britain tried to pump new life into the Northern Ireland peace process Friday, freeing more than 80 Catholic and Protestant prisoners and announcing that it had new proposals to put to the Irish government.

Aides to Prime Minister John Major said the proposals would probably be sent to Prime Minister John Bruton during the weekend and were intended to start a twin-track approach to the peace process.

The proposals could pave the way for a British-Irish summit meeting, which was postponed at the last minute in September, much to the annoyance of Britain. It accused Dublin of caving in to pressure from Sinn Féin, the political wing of the Irish Republican Army.

(Reuters)

## Judge Removed in Berlin Case

**BERLIN** — A Berlin court removed the presiding judge in the manslaughter trial of East Germany's last hard-line Communist leader, Egon Krenz, on Friday upholding a defense allegation that he was biased.

The defense objected to Judge Hansgeorg Braeutigam after he agreed to upgrade the charges against Mr. Krenz and five other former East German leaders. They are accused of responsibility for the deaths of refugees fleeing over the Berlin Wall.

The trial, which began Monday, was adjourned for a week after just five minutes to allow another court to examine the allegations.

The court upheld the objection by a defendant, the former Politburo spokesman Günter Schabowski, against Judge Braeutigam but rejected another by Mr. Krenz that two of the head judge's colleagues were also biased.

(Reuters)

## Swedish Is Stilled by Snowstorms

**STOCKHOLM (Reuters)** — The worst snowstorms for more than two decades struck western Sweden on Friday, closing schools and offices and bringing road, rail and air traffic to a virtual standstill, officials said.

Emergency services said that in the western city of Gothenburg and surrounding areas, cars were trapped on highways, trains stopped in their tracks and power lines toppled. At least 70,000 households were without power.

Ferry traffic to neighboring Denmark stopped, scheduled operations at hospitals were canceled and police stations were short of staff because the weather. Military vehicles were used to clear the snow.

A blizzard also struck much of Denmark on Friday, forcing a change in plans for the wedding Saturday of Prince Joachim and a Hong Kong economist, Alexandra Manley. The couple had been scheduled to ride through the city in an open landau, but palace officials were expected to substitute a closed carriage.

(AP)

## Chinese Taut Laser Landing System

**BEIJING (Reuters)** — China has developed a laser-assisted ground control system to ensure the safe landing of aircraft, among the first in the world, the Xinhua news agency said on Friday.

The system promises safe landings in even in inclement weather, and thus can improve flight punctuality, the agency said. Fixed on either side of the runway, the laser equipment can emit a light beam that can be seen by a pilot at altitudes of 8,000-10,000 meters even at night or in foggy weather, Xinhua said. A five-year trial at Shanghai's Hongqiao airport showed that the system was twice as effective as ordinary landing systems. The laser system is expected to be widely applied in other Chinese airports, it said.

United Airlines has found that a favorite occupation of passengers is looking out the window for a glimpse of their homes. A Harris survey commissioned by United found that 45 percent of people who look out the window try to pick out their homes, but only 29 percent are successful. The survey, which dealt with some of the less-than-burning issues facing air travelers, also found that 38 percent never use the lavatory during a flight. Two-thirds prefer eating free peanuts. 26 percent would rather have pretzels, and the rest are not able to make up their minds.

(AP)

## Italian buses, subways and local rail lines closed Friday

morning for four hours, paralyzing traffic in cities across the nation as thousands of commuters took to their cars. The national labor federations called the strike to protest government plans to cut pension benefits. Sporadic transportation strikes are also scheduled for Dec. 5 to 7.

(AP)

## German Socialists Compromise on Bosnia Force

Compiled by Our Staff From Dispatches

**MANNHEIM, Germany** — The new leader of the Social Democratic Party, Oskar Lafontaine, and his predecessor, Rudolf Scharping, tried to restore unity in the divided party on Friday by securing a compromise on the emotive issue of German troops for Bosnia.

Mr. Lafontaine, leader of the opposition party's pacifist wing, had ridden a wave of euphoria to topple the embattled

and lackluster Mr. Scharping on Thursday, but left many analysts unsure if he could lead the Social Democratic Party out of crisis.

Both men joined forces to persuade delegates, on the last day of the party conference, to condemn the use of German Tornado fighter-bombers over Bosnia but still let the party's deputies approve them in Parliament as part of an overall peacekeeping package.

But the pacifist-pragmatist contradiction in the resolution underlined the rifts that commentators say have not been resolved by Mr. Lafontaine's unexpected election.

The conservative Frankfurt Allgemeine Zeitung noted that much of Mr. Lafontaine's credibility was built on his pacifist ideas. It commented:

"Will Germany remain a reliable link in the Western com-

munity of shared values and interests, or will it go its own way as a 'power for peace'?" That is the question with which Lafontaine has returned to center-stage in German politics.

Mr. Lafontaine has long argued that Germany should not abandon the military restraint it imposed on itself for 50 years in response to Nazi militarism.

He told delegates that Germany must be wary about entering foreign wars because of

its Nazi past, including support for a Nazi puppet state in Croatia in World War II.

"This is a historic burden that we must mention to realize how difficult it is to be fair to all sides in this situation," he said.

But the compromise on Bosnia that he and Mr. Scharping pushed through gave no clear pointer to the Social Democrats' future line.

It insisted that the party reject all combat missions, including the use of Tornado aircraft, but left its parliamentary deputies with the option of approving a package of international peacekeeping measures, including the Tornados.

The party cannot defeat Mr. Kohl's majority in Parliament, but it could stop him from claiming a national consensus for German involvement in military missions abroad.

In a poll, the Forsa institute put the Social Democrats up 6 points at 34 percent and Chancellor Helmut Kohl's Christian Democrats down 4 at 43.

(Reuters, AP)

### RELIGIOUS SERVICES

#### AMSTERDAM

CROSSROADS INTERNATIONAL CHURCH  
Interdenominational & Evangelical Sunday Service 10:30 a.m. & 11:20 a.m. Kids Welcome. De Oudekerk 3, S. Amsterdam Info: 020-40-15318 or 020-53-4198.

#### FRANCE/TOULOUSE

HOPE INTERNATIONAL CHURCH (Evangelical), 4, bd. de Pélusse, Colomier. Sunday service 8:30 a.m. Tel: 05 31 51 18.

#### FRENCH RIVIERA/CÔTE D'AZUR

NICE: Holy Trinity (Anglican/Episcopal), 11 rue de la Bufta: Sunday Eucharist at 11 a.m. Weekdays as on notice board. VENCE: St. Hugh's, ave. de la Résistance: Sunday Eucharist at 9 a.m. Contact Father Kon Lobo 93 87 19 82.

#### FRANKFURT

INTERNATIONAL CATHOLIC COMMUNITY (ICC), Masses: Sat. 5:00 p.m., Sun. 10:30 a.m. at St. Leonhards Church (near Dom). After Mass: Coffee & Fellowship. Phone: 06172-451187.

#### KIEV

INTERNATIONAL CHRISTIAN ASSEMBLY (ICA), Sundays English 10:00, Bilingual 12:00-1:15 (Kryvachuk St., 38044) 344-3376.

#### MUNICH

INTERNATIONAL COMMUNITY CHURCH, Evangelical Bible Believing, services in English 4:30 p.m. (Sundays at Erlbachstr. 10 (L2 Theodorstr.) 053-850-8917.

#### PARIS and SUBURBS

EMMANUEL BAPTIST CHURCH, 56 Rue des Bains-Français, Rue-Marmatens. An Evangelical church for the English speaking community located in the western suburbs. S.S., 9:45. Worship: 10:45. Children's Church and Nursery. Youth ministries Dr. R.C. Thomas, pastor. Call 47 51 29 03 or 47 48 15 29 for information.

#### HOPE INTERNATIONAL CHURCH (Evangelical), Sun. 9:30 a.m. Hotel Oran. Metro 1: Esplanade de La Défense. Tel: 47 73 33 54 or 47 73 33 14 27.SAINT JOSEPH'S CHURCH (Roman Catholic), Masses: Sunday: 9:45 & 11:00 a.m., 12:15 & 6:30 p.m.; Saturday: 11:00 a.m. & 6:30 p.m. Monday to Friday: 8:30 a.m. 50, avenue Hoche, Paris 8th. Tel: 42 27 28 55. Mass: Charles de Gaulle - Étoile.ST. MICHAEL'S CHURCH (evangelical Anglican), Sundays 10:30 a.m. (with children's club and crèche) and 6:30 p.m. Midweek study groups. Christ-centered fellowship in the heart of Paris. 3 rue d'Aguesseau, 75006. Tel: 47 42 70 88. Mass: Concordia.TOKYO ST. PAUL INTERNATIONAL LUTHERAN CHURCH, near Ikebashi St. Tel: 3261-7300. Worship Service: 9:30 a.m. Sundays. TOKYO UNION CHURCH, near Omotesando subway Sta. Tel: 3400-0047. Worship Services: Sunday 8:30 & 11:00 a.m., Sat. 9:45 a.m.USA If you would like a free Bible course by mail, please contact: L'ÉGLISE DE CHIST, P.O. Box 513, Staunton, Indiana 47881 U.S.A.

#### ZÜRICH-SWITZERLAND

ENGLISH-SPEAKING CATHOLIC MASS: St. Anton Church, Minnewaldstr. 63, near Kreuzplatz. Services conducted in English. Sunday Masses: 8:30 a.m. & 11:20 a.m. Services are in the crypt of St. Anton Church.

#### UNITARIAN UNIVERSALISTS

MARCELONA: 03 723-0158.  
BRUSSELS: 02 650 0226.  
HEIDELBERG: 0621 581 718.  
KARLSRUHE: 05361 47653.  
MÜNCHEN: 089 582 9759.  
NETHERLANDS: 070 548757.  
PARIS: 30 82 75 33.  
SWITZERLAND: 052 212 7333.  
WIESBADEN: 05129 72103.  
For info on other areas in Europe, write: EUU c/o Hertz, Frydendalsvej 49, DK-2650 Vedbaek, Denmark. Fax: + Tel. (45) 42 89 4184. INTERNET: gheriz@brandis.dk

#### THE EPISCOPAL CHURCHES OF EUROPE (Anglican)

PARIS and SUBURBS  
THE AMERICAN CATHOLIC OF THE HOLY TRINITY, Sun. 9 & 11 a.m., 10:45 a.m. Sunday School for children and Nursery care. The Church: 22 rue de Valenciennes, 22, avenue George V, Paris 75008. Tel: 391 47 20 17 92. Metro: George V or Alma Marceau.

FLORENCE  
ST. JAMES CHURCH, Sun. 9 a.m. File 1 & 11 a.m. File II. Via Bernardo Rosselli 9, 50125, Florence, Italy. Tel: 55955 24 47.

#### FRANKFURT

CHURCH OF CHRIST THE KING (Episcopal/Anglican) Sun. Holy Communion 10:45 a.m. Sunday School and Nursery care. The Church: 22 rue de Valenciennes, 22, avenue George V, Paris 75008. Tel: 391 47 20 17 92. Metro: George V or Alma Marceau.

GENEVA  
EMMANUEL CHURCH, 1st & 3rd Sun. 10 a.m. Eucharist; 2nd & 4th Sun. Morning Prayer. 3 rue de Monthoux, 1201 Geneva, Switzerland. Tel: 4122 882 80 78.

#### MUNICH

THE CHURCH OF THE ASCENSION, Sun. 11:45 a.m. Holy Eucharist and Sunday School. Nursery Care provided. Seyboldstrasse 4, 81545 Munich (Haidhausen), Germany. Tel: 4989 64 81 85.

#### ROME

ST. PAUL'S WITHIN-THE-WALLS, Sun. 8:30 a.m. Holy Eucharist & 10:30 a.m. Choral Eucharist & 10:30 a.m. Church School for children & Nursery care provided. 1 p.m. Spanish Eucharist. Via Napoli 58, 00184 Rome. Tel: 06 489 5339 or 5395 474 3569.

#### BRUSSELS/WATERLOO

ALL SAINTS CHURCH, 1st Sun. 9 & 11:15 a.m. Holy Eucharist & 10:30 a.m. Holy Eucharist and Sunday School. 563, Chaussée de Louvain, Oudain, Belgium. Tel: 322 394 3569.

#### WIESBADEN

THE CHURCH OF ST. AUGUSTINE OF CHANTERBURY, Sun. 10 a.m. Family Eucharist. Frankfurter Strasse 3, Wiesbaden, Germany. Tel: 49611 30 85 74.

#### EUROPEAN BAPTIST CONVENTION

BERLIN  
I.B.C., BERLIN, Rottenburg Str. 15, (Siegfried) Bldg. entry 1045, worship at 12:00 each Sunday. James Heilm, pastor. Tel: 030-774-4870.

BONN/KÖLN  
I.B.C. OF BONN/KÖLN, Rheinstraße 9, Köln. Worship 1:00 p.m., Calvin Hegue, Pastor. Tel: 02228 47021.

BRATISLAVA  
I.B.C. (English language, evangelical) Luventa Room 205, Karlovska Ulica 54, Sunday 10:00. Pastor Ben Hanna, Tel. 715367.

BREMEN  
I.B.C. (English language) meets at Evangelical-Freikirchliche Kreuzgemeinde, Hohenlohestrasse Hermann-Bose-Str. (around the corner from the Bahnhof) Sunday worship 10:00 Ernest D. Walker, pastor. Tel. 04791-12677.

BUCHAREST  
I.B.C., Strada Popa Rusu 22. 3:00 p.m. Contact Pastor Mike Kompor, Tel. 312 3860.

BUDAPEST  
I.B.C., meets in Morits Zsigmond Gimnázium, Törökvez 48-54. Sundays: 10:00 Coffee Fellowship, 10:30 Worship. Tel: 250 3302.

BULGARIA  
I.B.C., World Trade Center, 36, Drahov Tzarikoff Blvd. Worship 11:00. James Dukes, Pastor. Tel: 093 695 695.

CELLE/HANNOVER  
I.B.C., Windmolen Strasse 45, Celle 1300. Worship, 14:00 Bible Study, Pastor West Campbell, Ph. (05141) 46146.

FRANKFURT  
INTERNATIONAL CHRISTIAN FELLOWSHIP Evangelisch-Freikirchliche Gemeinde, Solmsstr. 11-13, 60330 Bad Homburg. A friendly, Christ-centered, church serving the English-speaking community in the north Frankfurt and Taurus areas. All are welcome. Sunday Worship, 9:30 a.m. & 11:00 a.m. Pledge Breakfast, Youth Ministry and Men's Fellowship. Pastor: M.P. Levy. Call: 0617-82728. E-Mail: 100024.511@compuserve.com

BETHLE, I.B.C. Am Dacheberg 92, Frankfurt a.M. Sunday worship 11:00 a.m. and 6:00 p.m., Dr. Thomas W. Hill, pastor. Tel: 069-549559.

HOLLAND  
TRINITY INTERNATIONAL invites you to a Christ centered, loving fellowship. Worship Services 9:00 a.m. and 10:30 a.m. with Nursery. Bismarktplein 54, Wassenaar 070-517-5324.

KIEV  
I.B.C. English Language Services, 10:00 at 3-A Tolstogo Str. (Metro same), Pastor Buddy Barnett, tel. 289-8148.

LIBSON  
I.B.C. Second Floor of Third Baptist Church, Rua Pique Polque 36, 19200 hours, Pastor Steve Ford, Tel: 419-6138.

MOSCOW  
I.B.C. Meeting 11:00. Kino Center Building 15 Druzhininskaya U.L. 5th Floor, Hall 6, Metro Station Samokovskaya Pastor Brad Starnes Ph. (085) 150 3235.

MUNICH  
I.B.C. OF MUNICH, Holzstr. 9 English Language Services. Bible study 10:00. Worship Service 17:00. Pastor's phone: 600634.

#### PRAGUE

INTERNATIONAL BAPTIST FELLOWSHIP meets at the Czech Baptist Church Vinohrady 88, Prague 8. At metro stop Jirchova. Sunday a.m. 11:30 Pastor: Bob Ford (02) 311 7974.

#### WATERLOO

WATERLOO BAPTIST FELLOWSHIP Worship 14:00 at Swedish Church, Chaussee de Charleroi 2 across from McDonalds. Tel: 055 25576.

#### WIESBADEN

I.B.C. 13 rue Verrier, English service, Sunday evening 18:00, pastor Ray Miller - Tel: (055) 520 5258.

#### ZÜRICH - SWITZERLAND

I.B.C. of Wiesbaden (Zürich), Rosenbergr. 4, 8520 Wädenswil. Worship Services Sunday mornings 11:00. Tel: 1-4910018.

#### ASSOC. OF INT'L CHURCHES IN EUROPE & MIDEAST

BERLIN  
AMERICAN CHURCH IN BERLIN, c/o. of City Allee & Potsdamer Str., S.S. 932021. Worship 11 a.m. Tel: 030-6132021.

COPENHAGEN  
INTERNATIONAL CHURCH of Copenhagen, 27 Farvergade, Vartov, near Rådhus. Study 10:15 & Worship 11:30. Tel: 3128-6785.

FRANKFURT  
TRINITY LUTHERAN CHURCH, Möhlenturm Allee 54 (across from Burger Hospital), Worms. 11 a.m. & 6 p.m. Tel: (069) 59478 or 512522.

GENEVA  
EV. LUTHERAN CHURCH of Geneva, 20 rue Vendôme, Sunday worship 9:30. In German 11:00 in English. Tel: (022) 3105088.

JERUSALEM  
LUTHERAN CHURCH of the Redeemer, Old City, Muristan Rd. English worship Sun. 9 a.m. All are welcome. Tel: (02) 281-049.

PARIS  
AMERICAN CHURCH IN PARIS, Worship 11:00 a.m. 65, Quai d'Orsay, Paris 7. Sun 6:30 at door, Metro Alma-Marceau or Invalides.

VIENNA  
VIENNA COMMUNITY CHURCH, Sunday worship in English 11:30 a.m., Sunday school, nursery. International, all denominations welcome. Dorotheergasse 16, Vienna 1.

ZÜRICH  
INTERNATIONAL PROTESTANT CHURCH, English speaking, worship service, Sunday School & Nursery, Sundays 11:30 a.m., Schanzengasse 25. Tel: (01) 2625225.

#### SYNAGOGUES IN EUROPE

BRUSSELS  
SYNAGOGUE BETH HILLEL, Communauté Israélite Libérale de Bruxelles Avenue de Kerckhove, 95, 1190 Brussels. Rabbi Albert Dehaen. Tel: 32-2-322-2528. Fax: 32-2-376-7218.

HILDELSHEIM  
SYNAGOGUE BETH HILLEL, Communauté Israélite Libérale de Hildesheim, 95, 1190 Hildesheim. Rabbi Albert Dehaen. Tel: 32-2-322-2528. Fax: 32-2-376-7218.

## INTERNATIONAL CLASSIFIED MARKETPLACE

- Monday International Recruitment
- Tuesday Education Directory
- Wednesday Business Message Center
- Thursday International Conferences and Seminars
- Friday Real Estate Marketplace, Holidays and Travel
- Saturday Arts and Antiques

Plus over 300 headings in International Classified Monday through Saturday

For further information, contact Fred Roman in Paris: Tel: (33) 1 41 43 93 91 - Fax: (33) 1 41 43 93 70.

**Herald Tribune**  
THE WORLD'S DAILY NEWSPAPER

## LIVING IN THE U.S?

Now printed in New York for same day delivery in key cities.

To subscribe, call  
**1-800-882 2884**  
(in New York, call 212-752-3890)

**Herald Tribune**  
THE WORLD'S DAILY NEWSPAPER





ON THE ONE HAND — Representative John Kasich of Ohio, chairman of the House Budget Committee, displays the rival budget plans that are causing the deadlock in Washington: the Republican proposal and the president's.

## Park Closed? Ask the Budget Bears

By Susan Levine  
Washington Post Service

YOSEMITE NATIONAL PARK, California — All morning long, in a quiet and soothing voice, a Yosemite park ranger, Rick Gushue, sent away visitors as one of America's most beloved national parks started locking up.

"I'm sure you guys are aware of the budget situation," he said, bending toward the driver's window of car after car. "The shutdown is still in effect, and as part of that Yosemite has been ordered to close. You'll have to turn around. Sorry for the inconvenience, folks."

The scene was similar at 368 other National Park Service sites, including the Grand Canyon, notified Wednesday that they had 48 hours to close because the service could no longer guarantee the safety and health of their guests.

Longtime park officials said they could not recall a previous headquarters request to completely close down major parks over what many see as a short-term spending dispute between Congress and the president.

Not since August 1990, when forest fires threatened part of Yosemite's breathtaking wilderness, has a mass evacuation been ordered here. The closing, the first in the 76-year history of Grand Canyon National Park, prompted Governor Pete Symington

of Arizona on Thursday to contemplate using national guardsmen to restore park services.

"It's a bunch of bureaucratic crap," Dick Gramlich of Thousand Oaks, California, complained as he, his wife and two Canadian friends stood in the lobby of the Yosemite Lodge, contemplating what to do now that their vacation was cut short.

"Thank God we toured the giant sequoias yesterday," Ann Gramlich said.

On the lodge's front doors, throughout the historic Ahwahnee Hotel, on the

**'Yosemite is a world class attraction and you can't get into it right now.'**

recorded message that usually gives road and weather information, notice of the park's imminent closing was everywhere: By 3 P.M. Friday everyone was to be out.

No figures were available on the number of tourists, campers and hotel guests being asked to leave the parks, said Park Service spokesman David Barna. National parks in the West average from 9,000 to 15,000 visitors a day this time of year, he said.

In Florida, Everglades National Park will be shut down by 10 A.M. Saturday with a skeleton staff of 58 keeping watch; 232

employees usually tend the 1.5 million acres (600,000 hectares) of wetlands, trails, campgrounds and islands. The entrance gates have been untended since Tuesday afternoon, with visitor centers and trails closed.

At Yosemite, where visitors centers and exhibits were closed earlier in the week, park employees will be allowed to remain living in park facilities, as will employees of the concession company that runs the gift shops, restaurants and shuttle buses. The Yosemite Village Store and gas station will be kept open for them.

That's small consolation, however. "I have no idea what I'm going to do," said Hele Seneca, a housekeeper who lives in a heated Park Service tent a stone's throw from the rooms she cleans daily.

"I'm hoping they come to some agreement. I can't imagine them putting all these people out of work," she said.

Even among the rangers who expect they will receive back pay there is uncertainty.

At the Arch Rock entrance, a park supervisor, Harry Steed, watched as the ranger, Mr. Gushue, spoke to new arrivals. "Yosemite is a world class attraction and you can't get into it right now. I'm not in the business of not allowing people in here," Mr. Steed said. As he spoke, yet another car turned to head back down Highway 140, and Mr. Gushue made one more mark on his clipboard. By noon, he had recorded 36 cars and two buses.

## House Sweeps 'Freebies' Away

### Ban Is Backed, 422 to 6

By Helen Dewar  
Washington Post Service

WASHINGTON — The House has voted overwhelmingly to ban free meals, expense-paid trips and other gifts to its members in a powerful response to the public clamor for curbing special-interest influence on lawmaking.

The rules change, approved Thursday by a vote of 422 to 6, gives the House tougher standards than the Senate, which voted in July to limit gifts to a value of no more than \$50 or a cumulative annual total of \$100 from a single source.

After rejecting a proposal that would have done little more than strengthen disclosure requirements, the House was faced with a choice of approving the Senate plan or banning gifts regardless of their worth.

"The simplest, the cleanest and the clearest standard was to say, 'No gifts,'" said the speaker of the House, Newt Gingrich, who proposed that the House ban rather than restrict gifts, in part to avoid ethical complications for members who might inadvertently breach the dollar limits.

Lobbyists offer favors only because of members' official position, Mr. Gingrich said. "There's no way around it," he said. "You didn't get the gift before you were elected. You ain't gonna get the gift after you leave."

The vote was a victory for junior members who have been aggressively pushing a political reform agenda that also includes a lobbying registration and disclosure bill.

The new rules bar House members or their staffs from accepting anything from fruit baskets to free vacations from virtually anyone except personal friends or family members.

Specifically bars them from participating in expense-paid golf, tennis and ski outings that are officially held for charity but also provide opportunities for lobbyists and corporate officials to mingle with lawmakers in posh surroundings. Even a move to ease the rule to allow members to accept free T-shirts

or baseball caps was blocked. Members could still accept expense-paid travel for official business and have spouses or children accompany them.

The ban was approved after the House, voting 276 to 154, emphatically rejected a proposal that would have eliminated the bill's toughest provisions and basically retained the current rules governing gifts, which critics say have invited abuses that undermine public confidence in Congress.

Both the House and the Senate bans take effect at the start of next year.

Like the Senate, the House was responding to a widespread public disdain over special-interest influence. While many members were reluctant to give up their free meals and vacations, the political risk of voting to retain them was too high.

Even opponents couched their arguments in terms of constituent interests.

"The best disinfectant is full disclosure, not isolation," said the House majority whip, Tom DeLay, Republican of Texas. The proposed rules are so rigorous that members would not even be able to "join the Kiwanis Club as an honorary member," said Representative Sonny Callahan, Republican of Alabama.

The counterargument was summed up by Representative John Bryant, Democrat of Texas: "If you want the meals, the trips and the football tickets, 'pay for them yourself.'"

Nothing makes the average voter more cynical than seeing their local member of Congress on television "cavorting on a beach" or playing golf "with expenses paid by lobbyists," added Representative David R. Obey, a Wisconsin Democrat.

The separate measure to strengthen registration and disclosure requirements for lobbyists — identical to legislation approved unanimously by the Senate earlier this year — seeks to plug loopholes in a law that has become virtually toothless.

It is estimated that more than half of Washington's 12,000 lobbyists are unregistered and thus unregulated.

## POLITICAL NOTES

### Speed Limit Rise Makes Gains

WASHINGTON — Americans are only two votes and a presidential signature away from higher speed limits and a series of other rule changes that have raised hackles with safety groups but proven popular in Congress.

After months of wrangling, House and Senate negotiators have finally agreed on a new National Highway System bill with a number of side issues that have prompted more comment than its main purpose — to release \$6.5 billion in federal highway funds to states for the newly designated 160,955-mile highway system, which already handles a large share of the country's travel and commerce.

Battles over billboards and Amtrak held up the bill until this week.

In the end, billboards won and Amtrak lost.

The legislation would allow states to decide whether to allow billboards on parts of scenic highways by removing the "scenic" designation on parts of the highway.

But states would not be allowed greater flexibility to use highway money for Amtrak passenger train service. (WP)

### White House Aide Is Acquitted

WASHINGTON — A federal jury Thursday acquitted Billy R. Dale, the former White House travel office director, of embezzlement charges in a case that the defense has contended was a political prosecution inspired by the Clinton White House.

Mr. Dale, 58, worked in the White House for seven presidents before Clinton officials ousted him in 1993, resisted lashing out at the administration.

"It's been 30 long months," he said. "I've been angry for 2½ years, but I've had to keep my mouth shut." President Bill Clinton, asked about Mr. Dale's acquittal, said it was clear when he took over the White House that there were some problems in the travel office operation but "there were also clearly some serious problems in the way it was handled at the White House." (WP)

### School Prayers? Issue Is Reborn

WASHINGTON — House Republicans have introduced an amendment to the constitution that sponsors say would allow organized prayer in school.

Opponents criticized the measure as too broad and vague, contending that it amounted to a radical revamping of the First Amendment.

The measure, known as the Religious Equality Amendment, was introduced by Representative Henry Hyde, Republican of Illinois, who heads the House Judiciary Committee.

Several conservative religious groups, including the Christian Coalition and the National Association of Evangelicals, support the proposed amendment.

The proposed amendment states: "Neither the United States nor any state shall deny benefits to or otherwise discriminate against any private person or group on account of religious expression, belief, or identity; nor shall the prohibition on laws respecting an establishment of religion be construed to require such discrimination."

The constitution subcommittee of the Judiciary Committee is expected to hold hearings on the proposal next month, and it could reach the House floor early next year.

There is no similar proposal yet in the Senate. (NYT)

### Quote/Unquote

Newt Gingrich, speaker of the House, as the chamber voted to ban gifts from lobbyists: "The simplest, the cleanest and the clearest standard was to say, 'No gifts.' You get these gifts because you are a member of Congress. You didn't get the gift before you were elected, and you ain't gonna get the gift after you leave." (AFP)

## AMERICAN TOPICS

### Attention Shoppers: Your Kid Just Fell Out of the Cart

About 25,000 children a year are injured when they fall or jump from supermarket shopping carts or when the carts tip over, researchers said in a study in the November issue of the Archives of Pediatrics and Adolescent Medicine.

More than 600 children a year were hospitalized after shopping-cart accidents. "These are not trivial injuries," said the lead author, Gary A. Smith, an assistant professor of pediatrics at Ohio State University.

No laws govern shopping-cart design. The researchers' recommendations were to lower the center of gravity or widen the wheel base to reduce the chance of tipping; fit existing carts with training

wheels, and require that children be strapped in.

The researchers said shopping carts should be banned until they are redesigned for safety.

An industry spokesman disagreed, blaming the accidents on poor supervision.

Jenny Kronauer of Chicago, shopping at a supermarket with her 16-month-old daughter Anna, said, "If they have the straps you can pretty much keep an eye on your kids. But if that kid gets out and falls, he's going to be seriously hurt, no matter what."

### About People

"It's probably not cool, but I go to the Oscars, and I'm damn happy to be there," says Sharon Stone, quoted in GQ magazine on what it's like to be a film star. "I go to Cannes, get to ride around with police sirens, stopping cars. I happen to really enjoy it. Am I supposed to pretend this is hell?"

Pierce Brosnan says that perhaps it is

just as well that contractual obligations barred him from playing James Bond when he was first approached about the Agent 007 role in 1986. "I was very upset," he recalls in the current issue of People magazine. "Then again, maybe I wasn't up to the role in '86." Now, he says, "There's a bit more age on the face and more scars on the heart and soul." He added, "But I don't drink martinis." The new Bond movie, "Goldeneye," starring Brosnan, opens this month.

### Short Takes

It looks pretty, but the chairman of the World Association of Hair Restoration Surgeons, Dr. Matt Leavitt, advises young girls and women against pulling their hair back too tightly into flowery ponytails or classic chignons. He says it can lead to hair loss.

Campbell's Soup has a new slogan, "M'm M'm Better," a variation on the one it dropped two years ago, "M'm M'm Good."

International Herald Tribune

## Did Rudder Cause Deadly U.S. Crash?

By Matthew L. Wald  
New York Times Service

SPRINGFIELD, Virginia — The pilots of a USAir Boeing 737 could have recovered from the mysterious rudder swing that appears responsible for the crash of the airliner near Pittsburgh 14 months ago if they had increased air speed and ignored their natural inclination to hold their altitude, officials of the Federal Aviation Administration

and Boeing have testified. But nothing in the pilots' training told them what to do in the case of such a rudder failure, experts told the National Transportation Safety Board.

"We don't train for events that don't occur," said Michael Carraker, a project pilot for the 737 at Boeing.

He was testifying Thursday on the second day of reopened hearings into the crash of the plane, Flight 427, near Pitts-

burgh International Airport that killed all 132 people aboard.

Indeed, other experts testified, the 737 was approved by the federal government on the presumption that such events would hardly ever occur, perhaps once in the lifetime of the whole fleet of planes. Boeing still does not acknowledge that such a rudder movement may have occurred, and the safety board has not reached a conclusion.

But investigators have no

other explanation for the plane's spiraling dive to earth, the biggest unsolved accident in the safety board's history.

Mr. Carraker and others also testified that tests conducted after the USAir crash greatly expanded their knowledge of the turbulence that an airliner leaves in its wake.

The USAir plane that crashed first encountered trouble when it ran across the wake of a Delta Air Lines Boeing 727 that was about 70 seconds ahead and 300 feet above. Mr. Carraker showed a videotape of tests involving a 727 and a 737. The 727 was equipped with smoke generators on each wingtip that made the turbulence visible; the plane left tight corkscrews of wind, or vortices, floating for miles behind it.

In the test, when the trailing plane's fuselage hit a vortex, it rolled 60 degrees; Mr. Carraker said it rolled at a rate of 36 degrees per second, or about 12 times faster than the autopilot was programmed to roll the plane when banking for turns.

The impact of the vortex on the fuselage also produced an unidentified sound similar to one heard on the cockpit voice recorder in the USAir jet as the accident began.

But the connection between the plane hitting the vortex and the rudder swinging is not clear. With no direct evidence that the incident involving the rudder occurred, investigators say that for now they must assume it was a malfunction.

### Air Bags Called Peril to Children

The Associated Press

ATLANTA — Infants and small children always should ride in the back seats of automobiles because exploding air bags can be deadly to them, the nation's public health agency has warned.

The Centers for Disease Control and Prevention said in an announcement here that all child car seats, even forward-facing ones for infants, should be put in the back seat of the vehicle, where they won't be hit by an air bag. Older children also should ride in rear seats.

The deaths of eight children have been attributed to air bags that inflated during car crashes, the agency said. When triggered, automobile air bags inflate suddenly, with explosive force.

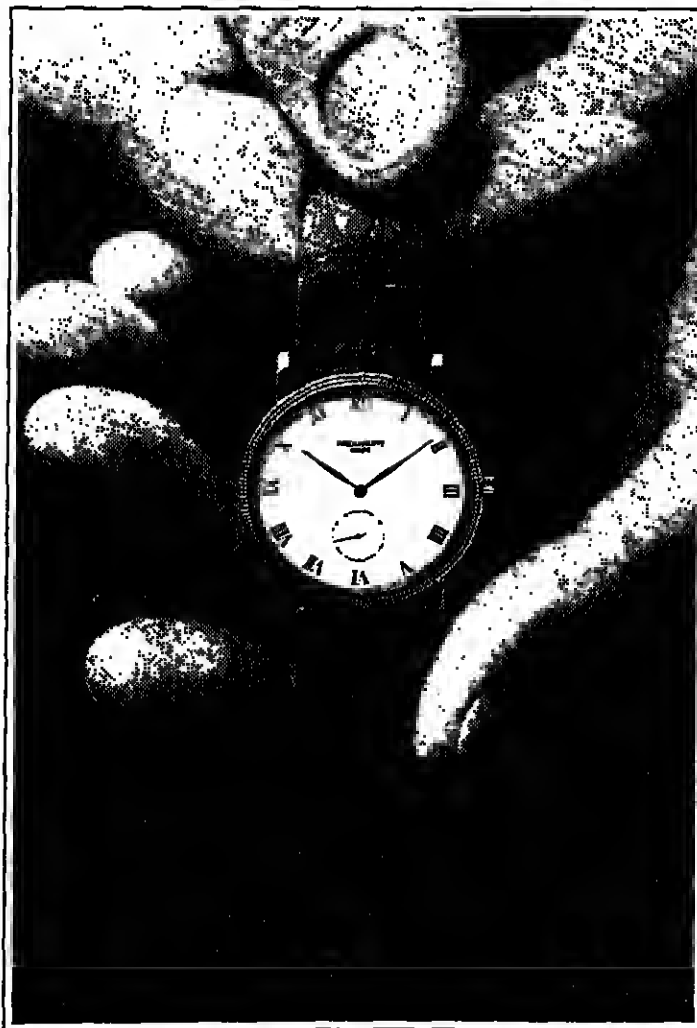
### Away From Politics

• Hoping to reduce violence in New York City's schools, the City Council has unanimously approved a law making it illegal for students to carry box cutters — plastic cutters with retractable razor-sharp blades — and banning their sale to anyone under 18. The number of reported violent incidents at schools set a record last year, and the cutters have become the weapon of choice for students because they are cheap and easy to obtain. School officials last year seized 2,247 of the knives from students. (NYT)

• The combined crews of the space shuttle Atlantis and the Russian space station Mir on Friday transferred equipment and experiment data to the shuttle that will be returned to Earth on Monday. Officials with the National Aeronautics and Space Administration said everything was going well on the eight-day mission. (Reuters)

• Cornell University in Ithaca, New York, has decided not to discipline four students who distributed a computer message that joked about rape and suggested women should not have freedom of speech. They have apologized and will take a class to learn about the problem of rape, the school said. The students, all freshmen, could have faced charges of sexual harassment and misuse of computer resources, both of which violate campus codes. (AP)

For more than a century and a half, Patek Philippe has been known as the finest watch in the world. The reason is very simple. It is made differently. It is made using skills and techniques that others have lost or forgotten. It is made with attention to detail very few people would notice. It is made, we have to admit, with a total disregard for time. If



a particular Patek Philippe movement requires four years of continuous work to bring to absolute perfection, we will take four years. The result will be a watch that is unlike any other. A watch that conveys quality from first glance and first touch. A watch with a distinction: generation after generation it has been worn, loved and collected by those who are very difficult to please; those who will only accept the best. For the day that you take delivery of your Patek Philippe, you will have acquired the best. Your watch will be a masterpiece, quietly reflecting your own values. A watch that was made to be treasured.

**PATEK PHILIPPE**  
GENEVE

Patek Philippe S.A.  
41, rue du Rhône - 1211 Geneva 3 - Switzerland







## Israel Casts Wary Eye On Syrian Overtures

Reuters

JERUSALEM — Israeli officials played down remarks on Friday by the American secretary of state, Warren M. Christopher, that Syria wanted to speed up peace talks with Israel.

"We've heard this before and nothing has happened," said one official. "It has to be verified."

A U.S. mediator, Dennis B. Ross, is due in the region Saturday to attempt to do just that. Mr. Ross will check on the prospects of moving from mixed military talks to broader, higher-level negotiations.

Mr. Christopher said in Osaka, Japan, that Damascus had told Washington it wanted to accelerate Syrian-Israeli negotiations.

Since the assassination of Prime Minister Yitzhak Rabin on Nov. 4, Mr. Christopher said, "one of the positive elements is that the Syrians have taken this moment to say the track should be accelerated."

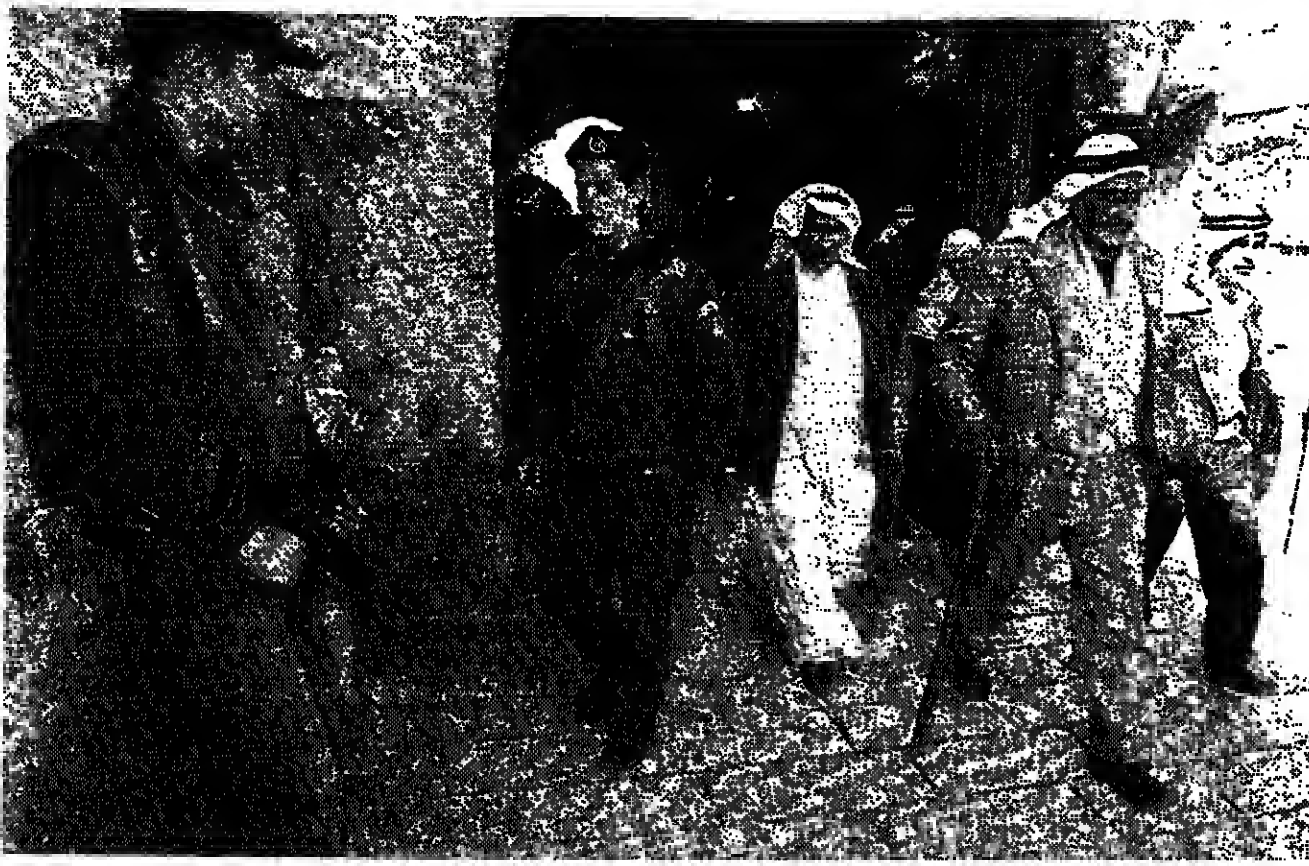
Israeli officials noted that Foreign Minister Farouk Shara of Syria said the same thing publicly on Nov. 8 in Damascus to the British foreign secretary, Malcolm Rifkind.

An Israeli cabinet minister, Yossi Beilin, who is close to the peace talks, said the Syrian stance had to be tested.

Asked by an Israeli radio interviewer if Syria's message to the United States was just words, Mr. Beilin said: "I admit my feelings are like yours but I would never stand in the way of checking it in the most serious way."

"If the Americans sense that there is a change in Syria," he said, "Syria without doubt will find in Israel a partner to serious, certainly complicated, negotiations."

Washington had pinned its hopes of Israeli-Syrian peace on Mr. Rabin, the politician with the best military credentials to convince Israelis that returning the captured Golan Heights to Syria would not endanger their security. Mr. Rabin talked of a staged Israeli pull-back on the strategic plateau.



AT THE DAMASCUS GATE — Palestinians leaving noon prayer services pass some Israeli soldiers in Jerusalem.

## Israelis Now Criticize Secret Service

Reuters

JERUSALEM — An assassin's calm re-enactment of the killing of Prime Minister Yitzhak Rabin caused widespread criticism of Israel's Shin Bet secret service Friday.

"Unbelievable!" wrote Alex Fishman, military correspondent for the mass circulation Yedioth Ahronoth newspaper. "Rabin's back was completely uncovered," he said. "It was gross negligence, and even that is an understatement."

The seven-day Jewish mourning period for Mr. Rabin, who was shot and killed at a peace rally on Nov. 4, and a statement from his widow that she did not blame his bodyguards had muted public criticism of the usually respected Shin Bet.

But Israeli tabloid newspapers attacked the secret service after the nation watched television coverage of his confessed assassin, Yigal Amir, as he showed the police on Thursday how he shot the prime minister.

Repeatedly and in slow-motion, Israeli television showed the 25-year-old Jewish student approaching from behind a policeman personifying Mr. Rabin and "shooting" him twice. Two bodyguards had their backs to the killer in the re-enactment.

Israel's biggest-selling newspapers, Maariv and Yedioth Ahronoth, even turned personal in criticizing the head of a Shin Bet unit in charge of collecting information about

Jewish militants, who like Mr. Amir opposed Mr. Rabin's peace policy with the Palestinians.

In embarrassing detail, the tabloids recalled how the officer — who can be identified only by the initial "A" for security reasons — had an affair with "N," the wife of colleague "Z," whom "A" later recruited into the secret service.

Maariv quoted unidentified former Shin Bet bodyguards as saying their VIP protection branch had been run by "unsuitable directors" from other divisions and reporting "a deterioration in the quality of new recruits."

Shin Bet, which combats Palestinian guerrillas inside Israel and the occupied territories, has led a largely charmed existence in Israel.

Maariv, for example, passed up a chance to publish information nine years ago that Shin Bet agents had beaten to death two Arab guerrillas who were

captured in a 1984 bus hijacking. Another tabloid, the now-defunct Hadashot, ran the news, forcing the resignation of Shin Bet's chief, Avraham Shalom.

## Algerian Voters Show Their Belief in System

By Youssef M. Ibrahim  
New York Times Service

PARIS — The most astonishing thing in Algeria's presidential elections was the assertive mood displayed by voters who are seldom given the chance to have their say but who, when presented with it, never miss the chance to alter political conventions.

Marching to polling stations in record numbers — 75 percent of the 16 million eligible voters cast ballots — they demolished the myth of cynicism about their government. They also defied threats of murder from radical Islamists and ignored calls for boycott by Islamic and secularist opposition parties; in doing so, they cast doubts about whether they still command any great following.

Most important, in giving President Liamine Zeroual, 54, a former army general, the expected mandate for another five years, they conceded that the army has emerged as the strongest political party in the country.

But the voters also asserted that the army must find a place in the system for advocates of moderate Islam by giving the two candidates running under that banner nearly 29 percent of the vote.

As for the generals, putting them in the spotlight can only pressure them to get on with the business of opening the political system and reforming the economy now that they can no longer hide in the shadows of one civil administration after another.

"The two things to retain from the Algerian elections are that people voted for stability after concluding the regime is not about to fall tomorrow, and they voted against the Islamic Salvation Front, which called for a boycott, after deciding it is incapable of taking Algeria to a new era," said Khirallah Khirallah, the Arab affairs columnist of Al Hayat, the London-based Arabic daily.

Despite the ritualistic denunciations of fraud and charges of vote tampering, all indications from witnesses as well as numerous news agency accounts and foreign diplomatic observers are that Algerians, start-

ing with the expatriate community in Europe this week, enthusiastically took part in the voting.

By choosing Mr. Zeroual with a vote of 61 percent, the mandate granted the army, for whom the former general is the front man, is clear.

But Mr. Zeroual ran on a platform of being "president of all Algerians" and vowed to hold parliamentary and municipal elections within a year. He said Friday that he would strive "to build together, all of us, this Algeria and achieve all of our ambitions."

The vote confers credibility and legitimacy on Islamists, particularly Mahfoud Nahnah of the Hamas party, whom the government can no longer ignore. The 53-year-old Mr. Nahnah has consistently denounced violence but advocated a liberal Islamic government, winning a surprising 25 percent of the vote. Another relatively little known liberal Islamist, Noureddine Boukrouh of the Algerian Renewal Party, won nearly 4 percent.

If the two men can field candidates in future municipal and parliamentary elections, they

will further drain the militant's ranks. The message of their joint score is that the time has passed for radical Islamists who advocate a fight until the establishment of a purist Muslim state.

In Germany, Rabi Kahir, the senior figure of the Islamic Salvation Front, the main Islamic opposition party, which was banned by the authorities three years ago, asserted that the elections "change nothing." He insisted that any solution must begin with the removal of the present government.

In fact, the results reflect considerable changes in the mood of the electorate since the 1991 parliamentary elections, which were annulled by the government.

Too much blood has been spilled and much of it by the Islamists. At least 30,000 Algerians have died since fundamentalists took up weapons to battle the government. But their divisions and the savagery of some of their armed factions in killing women and innocent civilians appear to have registered in this election.

In the 1991 parliamentary elections only 40 percent of eligible voters went to the polls and 40 percent voted for hard-line Islamists.

## Cleric Denies Iran Role In Saudi Car-Bombing

Reuters

TEHRAN — A senior Iranian cleric said Friday that it was wrong to accuse Iran of any role in the car-bombing in Saudi Arabia this past week that killed six people and that the attack reflected internal problems in the kingdom.

Ayatollah Ahmad Jannati, speaking at Friday prayers in Tehran, said that the explosion at the U.S. military training center in Riyadh was being linked to Iran "for political exploitation."

"Is anything that happens anywhere related to Iran?" he asked.

"We absolutely oppose ten-

sion in the region," he said in remarks broadcast on radio.

The attack, he said, was "just the consequence of American pressure," adding, "Do not accuse others."

Iran has denounced hints that it had a possible role in the car-bombing, which killed five Americans and an Indian.

An Iranian Foreign Ministry spokesman "dismissed as sedition the recent allegations of the U.S. ambassador in Riyadh."

He said Iran has no connection whatsoever with Monday's bomb blast in the Saudi capital, "IRNA, the official press agency, said Thursday.

## GLOBAL FUND MANAGEMENT

WHICH WAY ARE THE MARKETS MOVING?

Join the experts as they debate the trends

DECEMBER 4-5-6 · 1995 · THE REGENT HOTEL · SINGAPORE

"Which Way Are The Markets Moving?" is an enormously successful series of debating style conferences that offers its speakers and audience alike the opportunity to discuss the trends in the world's equity and bonds markets. This conference will also examine the considerable changes that are on the horizon in fund management in southern Asia.

THE CONFERENCE WILL BE DIVIDED INTO THE FOLLOWING SESSIONS:

- The Global Economic Outlook
- The World Equity Markets
- The Role of Derivatives in Fund Management
- Convertible Bonds
- Global Fixed-Income & Currency Markets
- The Asian Markets

CONFIRMED SPEAKERS INCLUDE:

■ Dr. Richard Hu, Minister of Finance and Chairman of the Monetary Authority of Singapore ■ Datu' Dr. Mohd. Munir Abdul Majid, Chairman, Securities Commission, Malaysia ■ Sir Alan Walters, Vice Chairman & Director, AIG Trading Group, Inc. ■ David Roche, Global Strategist and Director, Independent Strategy ■ J. Mark Mobius, President, Tripartite Emerging Markets Fund, Inc. ■ Alan J. Albert, Senior Managing Director, Merrill Lynch Global Asset Management ■ Donald F. Pitzer, Jr., Senior Vice President, Investments, Massachusetts Financial Services ■ Louis G. Navellier, President, Navellier & Associates Inc. ■ Douglas S. Foreman, Managing Director, Mid-Cap Equities, Trust Company of the West ■ Peter D. Eberington, Managing Director, Regent Fund Management Limited ■ Nick Cavallin, Associate Director, GNI Ltd. ■ Steven J. Petersohn, Director, Asian Equity-Linked Securities, Jefferies Pacific Limited ■ Gustaf Brodshaw, Director, B&H Asset Management ■ Tony Plummer, Director, International Fixed Interest, Hambros Bank Limited ■ Thomas J. Berger, Director, Mercury Asset Management plc ■ Tim Guinness, Joint Managing Director, Guinness Flight Global Asset Management Limited ■ Albert L. Cobetto, Director and Head, Debt Capital Markets, Salomon Brothers Hong Kong Ltd. ■ Francis Tjia, Executive Director, Income Partners Asset Management (HK) Limited ■ William S. Key, Managing Partner, Asian Hedge Fund, and Senior Managing Director, Pacific Alliance Group ■ George Teo, Deputy Chairman, Stock Exchange of Singapore Ltd. ■ Lieve Debruyne, Fund Manager, Mass Partners Capital Management (Far East) Ltd. ■ Scottie Dickinson Ward, Director, Lloyd George Management ■ Richard Graham, Group Chief Representative in China, Baring ■ John Rogers, President & Chief Investment Officer, INVESCO Asset Management (Japan) Ltd. ■ Paul Barker, General Manager, Standard Chartered Equities Group ■ Chin Ean Wah, Managing Director, Morgan Stanley Asset Management (S) Ltd. ■ Paul Durham, Head of Asian Equities, Bankers Trust Funds Management International Limited

Herald Tribune  
THE WORLD'S LARGEST PAPER

INTERNATIONAL FUND INVESTMENT

Bloomberg  
COMMERCIAL  
NEWS

BT Fund Managers Limited

MFS  
THE FIRST NAME IN MUTUAL FUNDS

SINGAPORE AIRLINES

FOR FURTHER INFORMATION, PLEASE CONTACT: Brenda Erdmann, International Herald Tribune, 63 Long Acre, London W12 2JH. Telephone: (44 171) 836 4802 Facsimile: (44 171) 836 0277

## Les Echos FRANCE'S LEADING BUSINESS NEWSPAPER.

For people who make decisions every day, access to precise and comprehensive information on international economy and markets is vital. They need the most reliable source of information available. In France, they read Les Echos, France's leading business newspaper.

LES ECHOS

For further information please contact: In London, Catherine Wyle, Les Echos, 110, One Southwark Bridge, London SE1 9HL. Tel: (44) 171 873 4676. Fax: (44) 171 873 4657. In Paris, Jean-Baptiste Pons, Les Echos, 40 Rue La Boétie, 75008 Paris. Tel: (33) 1 49 53 66 64. Fax: (33) 1 42 25 41 01.







# U.S. and China Set New Contacts But Beijing Is Adamant on Future of Taiwan

By Patrick E. Tyler  
New York Times Service

BEIJING — China and the United States made progress Friday in resuming a program of high-level military contacts, agreeing to an exchange of visits of their top military officers next year.

But American defense officials visiting here this week reported that during private conversations they encountered trenchant rhetoric and signs of unremitting determination by Beijing's military and civilian leaders to undermine the political rule of the president of Taiwan, Lee Teng-hui.

In recent days, China has restated its intention to use all means, including military intimidation and force if necessary, to end what Beijing considers a drive by Mr. Lee for Taiwan independence, though Mr. Lee insists he is seeking only greater international recognition for the island.

As three days of talks ended, the Pentagon was receiving reports that China had begun a new military exercise off its southeastern coast near Taiwan, military officials here said. It follows a Taiwanese drill earlier in the week designed to demonstrate the island's ability to repulse an invasion.

The visit of the U.S. delegation led by the assistant secretary of defense for international security affairs, Joseph S.

Nye Jr., demonstrated that the general recovery in United States-China relations from a low point last summer is occurring against a backdrop of unremitting military tension across the Taiwan Strait that could lead to another rupture in relations and, perhaps, military conflict.

"The Chinese have a military operation starting right now," an official traveling with Mr. Nye said, "and what is clear is that China is brushing off military plans and operational contingencies that they haven't thought about since the 1950s. This is an issue we are very concerned about."

Mr. Nye and officials traveling with him pointed out that China and the United States are improving the level of communication in some areas, but on Taiwan, "There was no give whatsoever," one official said.

"Every single person referred to Taiwan and their point was that every Chinese is united on this question," the official said.

Chinese military leaders, during extensive closed-door talks with the American delegation, engaged in some "subtle exploration" of what U.S. policy responses would be in the event of a military crisis over Taiwan, one official said. But the American officials refused to discuss U.S. contingency planning.

"We stand for peaceful resolution of

disputes across the Taiwan Strait," Mr. Nye said Friday, speaking at a press conference at the U.S. Embassy. Any use of force by China against Taiwan "would be a serious mistake" and, he added, continued military exercises near Taiwan "are not helpful."

Mr. Nye announced that Chinese defense minister, General Chi Haotian, would visit Washington next year and that General John M. Shalikashvili, chairman of the Joint Chiefs of Staff, would pay a reciprocal visit to Beijing. Mr. Nye met with General Chi on Friday, but his longest discussions were held with Lieutenant General Xiong Guangkai, an assistant chief of the general staff of the People's Liberation Army and a senior adviser on Taiwan to the Communist Party leadership.

General Chi had originally been scheduled to visit the United States last summer, but the trip was postponed as part of the rupture in diplomatic relations after a White House decision to allow President Lee to make a private visit to the United States in June.

Commenting on other developments, Mr. Nye praised China's pledge last August that it would settle its territorial dispute over the Spratly Islands in the South China Sea in accordance with the Law of the Sea convention, which guarantees freedom of navigation through the area for all nations.

## Christopher Backs APEC's Business Role

Reuters

OSAKA, Japan — Secretary of State Warren M. Christopher, breaking with the view of an administration colleague, said Friday that economics, not security, should be the focus of the Asia-Pacific group APEC.

"I think it has a great future as an organization to facilitate economic development, coordinate economic development and to ensure there is a liberalized trading system in this region," he said in an interview. "In the short term that will be its primary goal."

Mr. Christopher added that discussion of security issues was more appropriately handled by the smaller Association of South East Asian Nations.

Mr. Christopher is in Osaka for the annual meeting of the Asia-Pacific Economic Cooperation forum, which the United States has sought to promote as a major Pacific institution.

Earlier this week, Defense Secretary William J. Perry said it was time to expand APEC from an economic group into a security alliance, despite a longstanding taboo about discussing military issues in the organization. Since its establishment in 1989, APEC has stayed away from defense issues, fearing that the subject could break up the already unwieldy 18-member group.

## Seoul Ex-Intelligence Chief Is Held With Roh in Scandal

Compiled by Our Staff From Dispatches

SEOUL — A close aide of former President Roh Tae Woo's followed him into jail Friday in the huge corruption scandal rocking South Korea, and prosecutors said "four or five" leading businessmen would be next.

Lee Hyun Won, who ran the country's intelligence agency and later exposed Mr. Roh's slush-fund secrets, joined his one-time boss in the same detention center as prosecutors arrested him on several charges, including bribery.

The Yonhap news agency said prison officials were making sure that the two did not run into each other while staying in the Seoul Detention House in southern Kyonggi Province.

Mr. Lee was arrested after being questioned by state prosecutors for more than 50 hours over his role in managing some of Mr. Roh's \$634 million slush funds.

"In the eyes of the public, Mr. Lee may seem to be following his ex-boss into detention as a bodyguard," Yonhap said. "But prison officials say the two have been put into dif-

ferent wards to prevent them from running into each other."

It was Mr. Lee who stepped forward a few days after an opposition lawmaker accused Mr. Roh of secretly building up millions during his office to confess that he had personally managed a 48.5 billion won (\$63 million) slush fund for the former president.

A prosecution official said Mr. Lee, once Mr. Roh's top bodyguard and later director of the Agency for the National Security Planning, was suspected of receiving 2.65 billion won from business magnates in return for giving them favors in lucrative projects.

Mr. Roh, 62, was arrested and imprisoned Thursday, charged with taking \$310 million in bribes for lucrative government projects from the country's top 30 business houses, roughly half the amount he has confessed to massing.

His son, Roh Jae Hun, who on Friday visited the former head of state in his solitary cell in the austere gray brick Seoul Detention House, reported that his father was well and that he had had a "good night's sleep."

"After cutting myself off from the world, I feel comfortable," Jae Hun quoted his father as saying.

Meanwhile, Yonhap quoted sources from the party of President Kim Young Sam, who condoned the investigation into the former head of state, as saying the party had received \$130 million from the slush fund.

President Kim, who is in Osaka attending an economic summit, has denied receiving money from Mr. Roh to finance his successful 1992 election campaign, but conceded that his party might have.

On Friday, the president called the arrest of Mr. Roh "an unfortunate incident in the history of Korea that must not be repeated," and vowed to use it to wipe out business-political corruption.

A prosecutor said that "four or five business tycoons are likely to be arrested in connection with Roh's cache."

Yonhap said as many as 15 executives might be indicted, but business circles predicted that most would receive suspended sentences or be freed on probation.

### BRIEFLY ASIA

#### Allies Coordinate on North Korea

OSAKA, Japan — Japan, South Korea and the United States said Friday they would step up efforts to coax North Korea away from its nuclear arms ambitions.

Secretary of State Warren M. Christopher and Foreign Ministers Yohei Kono of Japan and Gong Ro Myung of South Korea said they would "maintain close consultation" to strengthen cooperation over North Korea's nuclear program.

"In this context, they decided to hold the first senior-level meeting next January," the ministers said in a statement at the Asia-Pacific Economic Cooperation forum. (AFP)

#### Sri Lanka Offers Rebels a Pardon

COLOMBO — Government planes dropped thousands of leaflets over Jaffna city Friday, offering amnesty to Tamil rebels who surrender to government forces that are just outside the guerrilla stronghold, the military said.

But no rebels had taken up the offer by late Friday, the officials said. The leaflets said the pardon was intended to avert bloodshed when the military invades the city next week.

Thousands of government soldiers are only a kilometer outside the city and are expected to attack it soon. An unknown number of rebels are still in Jaffna, whose civilian population was largely evacuated two weeks ago. (AP)

#### Indonesia Criticizes Portugal

OSAKA, Japan — The Indonesian foreign minister, Ali Alatas, accused Portugal on Friday of encouraging East Timorese students to seek asylum at foreign embassies in Jakarta.

Mr. Alatas, attending the Asia-Pacific Economic Cooperation summit meeting, also said Portugal was stalling UN-mediated talks with Indonesia and East Timorese political factions.

Five East Timorese climbed into the French Embassy in Jakarta on Thursday, the fourth such incident in two months. Officials said they left Friday for Portugal, East Timor's former colonial ruler. A day earlier, 21 East Timorese who sought asylum in the Japanese Embassy also were sent to Portugal.

Noting that the embassy entries are "becoming a pattern," Mr. Alatas said: "You can go away, then. I mean, good riddance. If people want to leave Indonesia, they are free to leave Indonesia. We are not deriving any pleasure from this, but it is getting a little bit boring." (AP)

#### U.S. Sailor Sentenced for Rape

TOKYO — A U.S. military court sentenced a sailor to eight years in prison Friday for raping a girl under 16 and taking part in an indecent assault on a female sailor, a report said. Both victims were American.

The sailor raped the girl, a U.S. military dependent, in a park on Sasebo Naval Base in southern Japan, the Pacific Stars and Stripes reported.

He was also part of a group of four sailors that assaulted a woman in a barracks room Aug. 7, one day after he committed the rape, the report said.

Seaman Apprentice Samuel J. Southworth, 19, of Murray, Utah, was found guilty on Nov. 3 of rape, indecent acts, drunk and disorderly conduct and destruction of military property, the daily reported.

He was sentenced Friday to eight years in jail, dishonorable discharge and forfeiture of all pay. (AP)

#### India and China Improve Ties

NEW DELHI — India and China have pledged to strengthen economic ties and resolve a three-decade border dispute, the Indian Foreign Ministry said Friday during a visit by a senior Chinese official.

"No force can separate India and China," the ministry quoted Qiao Shi, the head of China's Parliament, as telling the leader of India's lower house late Thursday.

The five-day visit by Mr. Qiao, a member of the Chinese Politburo, is the first to India by the chairman of the National People's Congress. (Reuters)

#### Hanoi Wants Aid for Returnees

HANOI — Vietnam said Friday that it would not allow illegal emigrés to be returned home against their will unless the Vietnamese government received international aid to ease the re-entry.

A document issued by Prime Minister Vo Van Kiet codifies requirements that Vietnam had already been raising in talks with governments and relief agencies seeking to deport Vietnamese refugees.

Vietnam fears that the returnees will place an additional burden on the country's weak social welfare services.

It recently agreed to accept 40,000 Vietnamese nationals from Germany only after Bonn promised \$140 million in aid. The United Nations and international aid groups also have funded the return of thousands of Vietnamese boat people from countries in Southeast Asia. (AP)

#### Hostage Near Death in Kashmir

SRINAGAR, India — Separatist guerrillas holding four Westerners hostage in Kashmir said Friday that one of the captives could die "any time," and urged his family to come to the Himalayan region as soon as possible.

"The sick hostage's condition is deteriorating and he can die at any time, for which the Indian government will be responsible," Al Faran militants said in a statement released in the summer capital of India's Jammu and Kashmir state. The militant did not identify the hostage. (Reuters)

### ADVERTISEMENT

**A**s the representative of Turkey's private sector,  
• we fully support the timely implementation of the Customs  
Union between Turkey and the European Union.

We believe that the forthcoming elections in Turkey should not  
delay the process of ratification by the European Parliament.

Any delay could be negatively interpreted within Turkey,  
thus damaging the momentum of goodwill between Turkey  
and the European Union.

We therefore urge the European Parliament to give its assent  
in December 1995 thus strengthening the relations between  
Turkey and the European Union.



İktisadi Kalkınma Vakfı (Economic Development Foundation), representing:

Union of Chambers, Maritime Chambers and Stock Exchanges of Turkey

Istanbul Chamber of Commerce • Istanbul Chamber of Industry • Istanbul Stock Exchange

Union of Banks of Turkey • Turkish Exporters Assembly

Union of Textile and Apparel Exporters of Istanbul • Aegean Region Chamber of Industry

Istanbul Commodity Exchange • Izmir Commodity Exchange

Izmir Chamber of Commerce • Turkish Industrialists' and Businessmen's Association

Confederation of Employers' Unions of Turkey • Union of Agricultural Chambers of Turkey

Foreign Economic Relations Board • Association for the Coordination of Foreign Capital



## ART

## The Aristocrats of Manual Labor

By Barry James  
International Herald Tribune

TROYES, France — They built the Gothic cathedrals of France. They erected the Eiffel Tower. They restored the Statue of Liberty, built the pyramid at the Louvre and helped construct the Caracas Metro.

Marrying innovation to centuries of tradition, France's "Compagnons," or "companions," the aristocrats of manual labor, face the post-industrial age with growing numbers and confidence.

Every year, hundreds of young aspirants set off on a five-year "Tour of France" to learn a trade and see the world. Along the way, they find lodging and teaching in houses built and run by their orders. Older "companions" find them jobs and watch over them at work. Symbols, songs, stories and secret rituals preserved since the cathedral-building age help mold them into humanists as well as workers.

Toward the end of his training — it is always a he — the aspirant must devote more than 1,000 hours to creating a "masterpiece," a virtuosic display of skill to show off all he has learned. But this is not enough to be accepted, since the movement is a fraternity rather than a club of technicians. Compagnons also have to prove that they are good teachers and loyal friends.

Zealous of their secrets and their skills, the various brotherhoods of free workers that began in the Middle Ages have historically been bitter rivals. They split after the Reformation, and often used their symbolic staves to thump each other's heads. They split again after World War II, some believing that others had been too cozy with the wartime Vichy regime.

Today, rivalries between the three families of Compagnons are fading — to such an extent that they have pooled their resources for a joint exhibition of their masterworks and customs at the National Museum of Popular Arts and Traditions in Paris.

Compagnons never put their affiliation on their visiting cards nor sign their works, because they know that whatever they make is clearly recognizable to other Compagnons. They have little written history because they were often persecuted by the church and therefore burned their records every year.

It is perhaps easier to describe the Compagnons by saying what they are not rather than what they are. To quote the late Jean Bernard, who helped revive the movement during World War II, it is "not a chain of lodgings for young workers, nor a disguised employment bureau, nor an ensemble of trade schools, nor a pseudo-union, nor a

means of achieving success, nor a closed elite. "It is the convergent point between two generations — those who are committed to transmit knowledge and those committed to receive it. It is two generations united."

France's more than 20,000 Compagnons hardly know what it means to be out of work in a country where unemployment is a cruel reality for nearly 12 percent of the active population. Many go on to run companies or create their own. Furthermore, the movement offers the prospect of a brilliant career for manual workers in a society that otherwise places the greatest value on intellectual qualifications, and particularly on a narrow ability to solve math problems. The Reverend Gérard Pierré, a Jesuit priest who runs a 22,000-volume library for the Compagnons in this medieval city, says

"Their fundamental idea is that you cannot go forward without taking the past into account," Father Pierré said. "The transmission of knowledge is vital, because it obliges the Compagnons to think through what they are doing."

Although the Compagnons use the term Tour of France, this encompasses anywhere there is something to be learned, or brothers to teach. The orders have houses and contact points around the globe, and are open to members from other countries. Each house is run by a provost, usually a Compagnon who takes two or three years away from his trade to devote to the brotherhood, and by a "mother," a highly revered figure who is the only woman allowed into the secret ceremonies of the Compagnons. In the larger houses, the "mothers" have responsibility for up to 100 young men, ranging in age from about 17 to 25. It is their job to create homes of what might otherwise be tightly disciplined barracks.

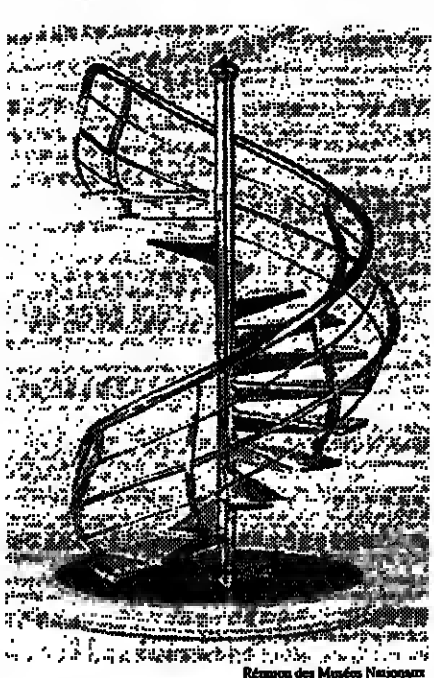
Typically, aspirants spend their days at work and evenings studying or practicing their trades in specialized workshops. They take their meals together, because the word Compagnon comes from the Latin root of sharing bread.

The largest of the orders is the Workers Association of the Compagnons du Devoir du Tour de France, which trains more than 4,000 young people every year. Although the Compagnons leave religion and politics in individual choice, the association is broadly influenced by Catholic teaching. The second largest group is a federation of Compagnons in the building and allied trades, each of which is autonomous. Like the association, it is concerned with traditional trades linked to the transformation of basic raw materials such as wood, stone and metal.

The oldest of the three groups is the Union of the Compagnons du Tour de France des Devoirs Unis. It differs from the other two by admitting apprentices from a broad range of modern trades, such as jewelers, musical-instrument makers and dental technicians.

The earliest Compagnons woo their status as free workers in a feudal age in effect because they knew how to do things that others could not, and closely guarded the tricks of their trades from kings, bishops and other powerful outsiders. This was the origin of their famous secrecy.

Today, the Compagnons still see quality as a defense against industrialization and mass production, in an age where society "does everything to ensure that the working man cannot think," said André Morand, a companion and former director of the House of Tools in Troyes.



A staircase created in 1991 by an artisan to become a Compagnon.

they are trying to restore the harmony of a civilization that was built by a combination of Homo Faber and Homo Sapiens — creating man and thinking man.

Under the impact of industrialization and mass culture, he said, this balance has been lost and manual work has been deprived of its prestige. He pulled out a volume of carpentry, part of a monumental encyclopedia of trades edited by Compagnons. Typically, it begins out with a dissertation on tools or techniques but with a long account on the humanism of the carpenter.



Detail of "The Tending of the Sick" by Domenico di Bartolo in the Sala del Pellegrino of Santa Maria della Scala.

## Siena's New 'Cultural Citadel'

By Roderick Conway Morris  
International Herald Tribune

SIENA, Italy — Hospital, medical school, guesthouse, orphanage and old folk's home, bakery, soup kitchen, safe-deposit, pawnshop, church and cemetery, Santa Maria della Scala, known to the Siennese as simply the *Spedale*, has been for more than 900 years this Tuscan hilltop town's principal treatment and charitable center, and symbol of its philanthropic ideals.

This summer, virtually the last medical and surgical departments were transferred to the modern hospital outside the city walls, leaving only a couple of wards and a first-aid clinic. What should be done with this vast, in places eight-story-high, medieval complex — which occupies the entire side of a hill between the city's cathedral and Francesco di Giorgio's San Sebastiano church — when staff and patients departed has been the subject of intense interest and debate for decades. But now, following an international competition won by the Italian architect Guido Canali, Siena's municipality has unveiled its plans to convert the hospital into a multifaceted "cultural citadel."

The 150 billion lire (\$94 million) project, which poses delicate restoration problems as well as opportunities for bold restructuring, will take about 10 years to complete. The good news, however, is that the *Spedale*'s medieval and Renaissance nucleus, which contains among other things a unique cycle of 15th-century "realist" frescoes depicting the hospital's daily life, has meanwhile been opened to the public for the first time.

"Santa Maria della Scala is, of course, already a museum in itself," said Siena's mayor, Pierluigi Piccini, "and we wanted to make it as accessible as possible at once."

Certainly one of the most exciting stages of the project, for which we will have to wait a little longer, will be the reopening of an inaccessible, brick-vaulted medieval street that zigzags its way through the bowels of the building from the main entrance on Piazza del Duomo to Piazzetta della Selva. It will be liberated of later additions constructed over it and see the light of day as a public thoroughfare again.

The earliest known mention of the *Spedale* dates from 1090 (35 years before the comune, or municipality of Siena itself). Its first priority was the care of orphans, but by the next century it was a hospital and a medical teaching center. This was a period when ever more pilgrims were making the journey to Rome from Northern Europe, and accommodating and aiding these travelers obliged the *Spedale* to expand its activities.

**A** PART from providing food and clothing for Siena's needy and for impecunious pilgrims (not to mention catacombs beneath the building for the burial of the dead), additional services grew up, including a pawnshop and safe-deposit service, many pilgrims finding it convenient to leave some of their cash and valuables here before braving the Eternal City's muggers, cool men and tourist traps. (Unreclaimed deposits provided the hospital with a modest extra source of income.)

In 1399 Santa Maria della Scala had 130 beds for male patients and pilgrims, with others for women and children and several overspill wards for busy periods of the year. By this time a large, well-endowed and prestigious institution, the hospital was also a leading patron of the arts.

The extensive frescoes in the Sala del Pellegrino (Pilgrims' Reception Hall, and until recently a regular ward full of beds), painted in the 1440s by Lorenzo Vecchi-

etta, Domenico di Bartolo and Priamo della Quercia, proudly present the hospital's multiple activities. In Bartolo's "The Tending of the Sick," against a background of a clean, bright, airy ward, a young nun is being washed before a surgeon treats a gash in his thigh, two physicians examine a urine sample in a glass flask and an orderly gently lays a patient on a stretcher.

Also illustrated are the progress of a founding girl, from abandoned babe in arms being suckled by one of the hospital's wet-nurses, to the schoolroom and playtime, to marriage in a fine dress with a generous dowry provided by the *Spedale*; the daily distribution of food and clothing to pilgrims and the poor, and important events in the institution's history, from the mythical story of its inception (the pious founder's mother had a dream in which she saw infants ascending a ladder — the "scala" of the hospital's name — to the Virgin Mary in heaven) to the first buildings' construction and the investiture of a rector.

The most ambitious long-term project for the *Spedale* is that it should become a home for a new museum of Siennese art throughout the ages, wherein all the major collections scattered around the town should be gathered together under one roof. The complex is so large that this could certainly be done without compromising the other envisaged uses, which include restoration workshops, artists' and craftsmen's studios, new premises for the University's Art and Archaeology departments, auditoriums, bookshops, restaurants and bars. The obstacle to the museum is that several public bodies — the municipality, province, region and state — own the artworks. If, however, the all-too-familiar internecine rivalries and bureaucratic red tape can be overcome, Siena could create in this superb setting a museum of international significance that would be worth traveling a long way to see.

## AUCTION SALES

## CHRISTIE'S



Carlo Dolci (1616-1686) Saint Mark  
oil on canvas, octagonal, 40 x 32 in. (101.5 x 81 cm.)  
Estimate: £150,000 - 200,000

## Important Old Master Pictures

AUCTION: London, 8 December 1995 at 10.30 a.m.

VIEWING: 3-7 December

ENQUIRIES: Rachel Mauro on (0044171) 389 2531

CATALOGUES: (0044171) 389 2820

Internet: <http://www.christies.com>



CHRISTIE'S

8 King Street, St. James's, London SW1Y 6QT  
Tel: (0044171) 839 9060 Fax: (0044171) 389 2209

Come Join Us At The 25th Annual

Emerson Auction

## A World Class Event

100+ Exhibitor Rooms  
Two Major Auctions  
Seminars  
Chuckwagon Lunch  
Artist Autograph Party  
Three Receptions  
Two Quick Draws And Auctions

March 20, 21, 22, 23, 1996  
Heritage Inn  
Great Falls, Montana

Honored Guest:  
HERB MIGNERY  
Outstanding CAA Sculptor

Accepting High Quality Consignments  
For Any Consideration  
Through December 6, 1995.  
Call Mike Busby At 406-737-8787.  
Telephone Bids Accepted.

Ticket Information:  
CEAF  
Great Falls, Montana, Room 614  
Great Falls, MT 59401  
1-800-803-3351 Ext. 614  
(U.S. and Canada)  
or 406-781-4152  
Fax: 406-453-1128

A World Class Event

## COLLECTORS

## SHONA SCULPTURES

(middle 70's)  
Fanisani/Henry  
sold by collector.

Tel: FRG 449-201-773090  
Fax: 45003-21

## Spink deal in

English Paintings and Watercolours  
Oriental, Asian and Islamic Art  
Textiles - Medals and Militaria  
Coins - Bullion - Banknotes

## SPINK

SPINK & SON LTD, 5, 6 & 7 KING ST.  
ST JAMES'S, LONDON,  
ENGLAND SW1Y 6QS. TEL: 0171-930 7888  
FAX: 0171-930 4833. TELEFAX: 916711

HARRY FANE  
wishes to purchase old  
CARTIER

objects:  
clocks, cigarette cases, powder boxes,  
desk accessories, photo frames, etc

Please contact:  
OBSIDIAN, London  
Tel: 0171-930 8606 Fax: 0171-493 5834

## WILLIAM DOYLE GALLERIES

AUCTIONEERS & APPRAISERS

## IMPORTANT ESTATE JEWELRY AUCTION

Wednesday, December 13 at 10 AM

EXHIBITION:

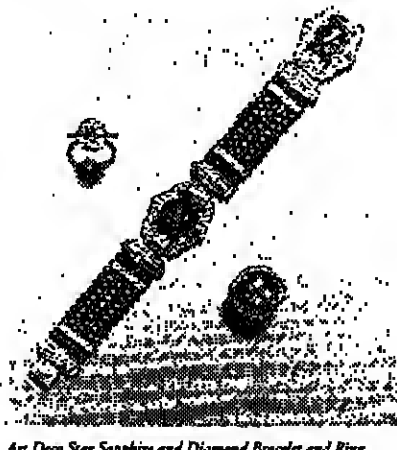
SAT. DECEMBER 9: 10 AM - 5 PM  
SUN. DECEMBER 10: NOON - 5 PM  
MON. DECEMBER 11: 10 AM - 7 PM  
TUE. DECEMBER 12: 10 AM - 5 PM

CATALOGUE:

\$30.00 AT THE GALLERY  
\$30.00 OVERSEAS DELIVERY

Also Featuring Property from a Russian Countess

FOR MORE INFORMATION  
PLEASE CONTACT SUSAN DALRYMPLE



An Old Star Sapphire and Diamond Bracelet and Ring  
Fancy Cutlery and Old Mine Diamond Ring, approx. 5-7 carats

175 EAST 87TH STREET • NEW YORK, NY 10128 TEL (212) 427-2730 • FAX (212) 369-0892

## NOORTMAN



David Timmer the Younger (1610 - 1690)  
The artist and his family  
Canvas: 41.5 x 35 cm. Signed

## Old Master Paintings - Recent Acquisitions

22nd November - 22nd December

Monday - Friday 9.30 am - 5.30 pm

40-41 Old Bond Street London W1X 4HP

Telephone 0171-491 7284 Fax 0171-493 1570

## MILLON &amp; ROBERT

Antiquities and Artworks

Paris Drouot - Richelieu

Monday December 4 1995 at 2 p.m. room 4

## IMPORTANT JEWELRY

Birman necklace ruby: 30 carats

Birman sapphire 11 and 13 carats

Catalogue on request: (1) 48 00 99 44

BELPERON - BOVIN - BUCCELLATI - CARTIER - CHAUMET

DUSSAUSSOY - MAUBOUSSIN - VAN CLEEF & ARPELS - WINSTON - WOLFERS

Expert: Mlle BAUER - PETIT (1) 45 25 71 45

International  
Herald Tribune  
ads work

## ANTIQUES

## ORIENTAL ANTIQUES

We buy and sell Japanese Antiques of  
the Edo and Meiji Periods:  
Fine Satsuma, Imai, Japanese cloisonne,  
bronzes, Samurai swords, flags and armor.  
(16th century through 19th century.)  
FLYING CHAIRS ANTIQUES, LTD.  
1050 Second Avenue, Gallery #55  
New York, N.Y. 10022  
Tel: (212) 223-4600 • Fax: (212) 223-4601

## ANTIQUES

PARIS  
PLACE de la  
BASTILLE  
NOVEMBRE  
5-15  
Métro  
BASTILLE  
11 am. - 19 pm.  
Night of Thursday 9 pm.  
for informations: JOEL GARCIA  
2 bis rue, Jules-Breton 75013 Paris

## LOUDMER

AUCTIONEERS

Paris Drouot rooms 5 and 6

Monday December 4th, 1995 at 8.30 p.m.

## IMPORTANT MODERN

## PAINTINGS AND SCULPTURE

BONNARD • de CHIRICO • DUFY • LEGER • MAILLOL

MARQUET • MATISSE • PICASSO • PISSARRO

Le Douanier ROUSSEAU • Van DONGEN • de VLAMINCK



Albert MARQUET, Paysage du Midi, 1904 oil on canvas signed  
at bottom left, 65 x 81 cm. Provenance: Galerie des Granges, Genève.  
Wildenstein & Co. New York, Private collection, Londres.

On view:  
At the auctioneer's office: Thursday 23rd to Saturday 25th Nov.  
10 a.m. - 1 p.m. and 2 p.m. - 6 p.m. Monday 27th Nov. to  
Thursday 30th Nov. 10 a.m. - 1 p.m. and 2 p.m. - 6 p.m.  
At the Hotel Drouot: Saturday 2 December 11 a.m. - 6 p.m.  
Monday 4 December 11 a.m. - 6 p.m.  
Catalogue on request: Europe FF 120, others FF 130

LOUDMER, 7, rue Rossini, 75009 PARIS  
Tel: (331) 44 79 50 50 • Fax: (331) 44 79 50 51

## PRIVATE ART DEALERS ASSOCIATION

## 1996 Directory and Appraisal Service

For information write:  
PO Box 872, Lenox Hill Station, New York, NY 10021  
Tel/Fax: 212-741-7264

## ANTIQUES

XII<sup>e</sup> SALON

## DES ANTIQUAIRES

## HIPPODROME D'AUTEUIL

PARIS XVI<sup>e</sup>

DU 10 AU 20 NOVEMBRE

TOUS LES JOURS

DE 11 H A 20 H

JUSQU'AU

20 NOVEMBRE INCLUS

Parking gratuit 4 000 places

Tel. du Salon: 45 20 48 78

## 22 - 26 NOVEMBRE

## PLACE DE LA

## BASTILLE

## GRAND MARCHÉ

## ART

## CONTEMPORAIN

300 ARTISTES

INFORMATIONS (1) 45 65 22 36





Visitors in Munich at the Barnes exhibition: "From Cézanne to Matisse."

## The Barnes Triumph

By Carol Vogel  
New York Times Service

**N**EW YORK — It was the first time the Haus der Kunst had ever stayed open all night. The museum show in Munich had drawn more than 400,000 people.

The exhibition, "From Cézanne to Matisse: Great French Paintings From the Barnes Foundation," was on the last day of its last stop on a two-and-a-half-year international tour.

Christoph Vitzthum, director of the Haus der Kunst, had decided that keeping the museum open for 24 hours would let art lovers make one final "meditative visit" to see the famous Cézannes and Matisse, Renoirs and Manets without the crowds that had swarmed around the museum's galleries since the show opened on June 23.

But in the early morning hours of this "long night of art," on Oct. 22, the museum was packed. Guards had trouble keeping visitors from getting too close to the paintings.

The response in Munich was hardly atypical. Everywhere the Barnes collection traveled — not only Munich but Washington, Paris, Tokyo, Fort Worth, Toronto and Philadelphia — it set records of one sort or another and got mostly favorable reviews.

About five million visitors saw the show, and many bought Barnes memorabilia in the form of posters, postcards, catalogues, tote bags, scarves, CD-ROMs and key chains with images of the paintings, filling the coffers of each institution. The show also brought in more than \$17 million in rental fees for the Barnes Foundation.

The Barnes exhibition was one of the most successful in museum history, ranking just behind "The Treasures of Tutankhamen," a seven-city U.S. tour that drew more than eight million people from November 1976 to September 1979.

Why did the Barnes work so well? "Besides the large number of exceptional paintings by popular artists, the number of paintings — 80 — was just right," said Glenn D. Lowry, who was director of the Art Gallery of Ontario in Toronto at the time of the show. "Not too many to overwhelm visitors, not too few."

The show also had a built-in curiosity factor.

"It got the reputation for being the girl you can't have," said J. Carter Brown, director emeritus of the National Gallery.

The mystery of seeing these hidden treasures, major masterpieces by major artists that would never be shown outside Pennsylvania again, gave it serious oomph.

In addition, people were curious to see what this little-known millionaire collector had chosen to buy.

For all of its success, it was a show that almost didn't happen, because of the eccentric nature of the Barnes Foundation. The foundation was established in 1922 by Albert C. Barnes, a trained physician and manufacturer of patent medicines, to house and manage his exceptional art collection.

Barnes had amassed about 800 paintings and 200 sculptures, including some 170 Renoirs, 55 Cézannes and 20 Picassos, which he liked to display in crowded, quirky arrangements that included Gothic hardware, African sculpture, furniture and porcelain.

His stated mission was to educate students in the art of viewing art. The collection was open by appointment only. Only in 1961, a decade after Barnes died and after the foundation's tax-exempt status had been challenged in court, were its galleries opened to the public on a limited basis.

**T**O get the show on the road, Richard H. Glanton, the director of the foundation, spent months in court to break the foundation's charter, which stipulated that no picture could ever be lent, sold or otherwise disposed of.

Barnes loyalists argued that taking a portion of the collection on tour would destroy the intentionally reclusive nature of the institution. But the board of directors needed money to keep the Barnes afloat and save its decaying building in Merion, Pennsylvania, a Philadelphia suburb.

The tour allowed the foundation to give the 1925 building a \$12 million face lift overseen by Robert Venturi, the Philadelphia architect whose acclaimed museum projects include the Sainsbury Wing of the National Gallery in London.

The rest of the money, Glanton said, will go into the foundation's endowment and operating costs. The building reopened to the public on Thursday.

## Contemporary Art, a Vanishing Act

**N**EW YORK — Suddenly, Contemporary Art seems to be vanishing from the auction scene. While Impressionist and early-20th-century art filled fat catalogues last week and made an impressive recovery, the offerings in Contemporary Art never seemed so meager and showed in the totals sold at the end of each Part I session — a modest \$14.5 million at Christie's on Tuesday night and \$19.8 million at Sotheby's on Wednesday night.

Together the two main evening sales added up to little more than one sixth of the

### SOURIN MELIKIAN

total achieved in the Impressionist and Modern Art corresponding sessions last week. Six years ago, shortly before the 1990 fall crash, the two categories seemed on their way to financial parity.

Yet, the interest is there. Christie's did not have much to cause wild excitement but the handful of works that were highly rated by the aficionados elicited an appropriate response.

This started with Alexander Calder's "Laocoön," a standing mobile executed in 1947. Bidding, which until then had been tepid, suddenly crackled on every side until the California collector Eli Brod won the contest to the tune of \$992,500.

After that, Christie's staked high hopes on a large painting by Jean Dubuffet. "Affaires et démarches" features grinning characters resembling the nightmarish apparitions cheerfully scribbled in colored chalks on classroom blackboards when the schoolmistress is away. The picture, painted in 1961, is part of a series called "The Paris Circus." But on Tuesday New Yorkers were in no mood for circus pranks. A lone bidder bought it for \$662,500, far below the \$800,000 to \$1 million estimates (plus the commission to the buyer).

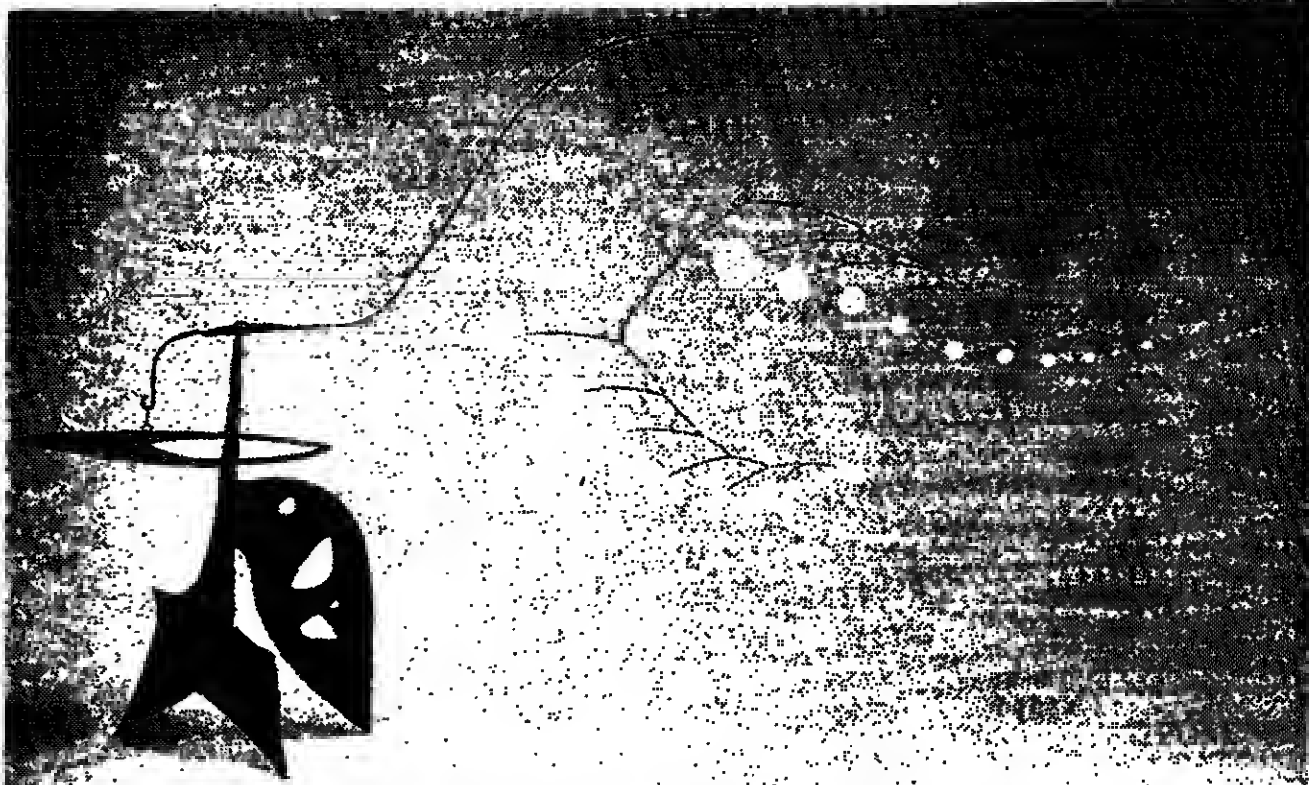
Was this the wrong place to sell this peculiar Gallie form of would-be humorous art?

Not necessarily. A quintessential American painting of the New York school fared even worse. Yet, the long abstract frieze that Jackson Pollock executed in 1952 in the so-called "drip-technique" — paint was poured out of a can with a hole punched in — is a rarity. "Number 1, 1952," as Pollock imaginatively called it, illustrates the beginnings of the technique.

The swirling black curves have a grainy texture that give the painting a quasi-sculptural feel. Less than 10 such elongated friezes were painted and, of these, only a few are outside museums. Hugues Joffre of Christie's said in an interview. Yet, this one failed to find a taker. As Christopher Burge, chairman of Christie's America who was conducting the sale, called out \$3.1 million, two bidders were in the ring. But at \$3.3 million, no one took up the challenge.

A day later, Sotheby's sale showed that it does not take much to bridge the distance from a lackluster performance to one that has the appearance of a modest success. There was just a little more that had substance in the auction, as seen by those who define the values of Contemporary Art.

The manner of David Nash, the director of Impressionist and Modern Art worldwide, who was conducting this sale, also helped. Nash had the right touch of British-style



Alexander Calder's "Laocoön," executed in 1947, was sold to a California collector for \$992,500.

diffidence and deference to the attendees, soothing the irritation that aggressive estimates might have caused.

Right at the beginning, an early Pollock of 1946 seemed bound to come to grief. "Gray Center," one of eight Abstract Expressionist pictures known as the Acrobatic Creek series, is not in the drip technique, invented later, which the broader public wants. The estimate, \$600,000 to \$800,000, was unrealistic. Nash gently let the Pollock go on a \$475,000 bid (\$525,000 with the charge to the buyer), surprising the room and making many sit up, alert to possible bargains in the offering — and that, according to the dealer Meredith Palmer, was definitely one.

The sale slowly began to gather momentum. Minutes later, a 1958 classic came up. The large abstract composition by Sam Francis is splashed in bright blues and yellows on white, with dashes of red that sing. Bidders started to do so as well. The Francis made \$365,500, not far below the low estimate. Two lots down, a hanging mobile by Calder, "Roxbury Red," sold within the estimated bracket, for \$486,500.

Far below the \$660,000 it made at Sotheby's on May 2, 1989, the Calder was nevertheless well sold as the market stands. Then came the rarest work by far in the whole sale, a large still life by Arshile Gorky. Done in 1944, in an Expressionist mood, figurative but close to abstraction, it soared to \$3,962,500. Victory was beginning to loom.

Roy Lichtenstein's "Emeralds" painted in 1961 in the cartoon style for which the name "Pop Art" had not yet been coined, was the next big lot. But it was too tame. A man stares at a screen as his thoughts are wafted over his head, transcribed within a cloudlike balloon. What Pop Art buyers seek is movement and action. This may have escaped the attention of Sotheby's newly appointed specialist, Robert Monk,

as he put estimates on the pictures of his first sale, in this case \$2 million to \$3 million. Nash was lucky and sold it on a \$1.6 million bid, \$1,762,500 with the charge to the buyer.

This renewed the feeling that bargains could be made and may have made it easier for a picture done by Dubuffet on Jan. 27, 1967, to climb comfortably to \$827,500. Less rare than the 1961 Dubuffet sold at Christie's, it fits better with the image of the painter's work as it is known to the wider public.

There was one more important painting in Sotheby's sale, "Winter," painted by Jasper Johns in 1985. Utterly different from his Abstract Expressionist phase, it illustrates the American artist's return to elaborate figuration, with, in passing, a nod to Surrealism. Familiar to collectors but not to the public at large, the Johns can be considered the ultimate test to sound out the real degree of bullishness in the Contemporary Art market. At just over \$3 million, "Winter" passed that test with flying colors. On the face of it, this should augur well for the future. It may for the market in general terms, but where the auction scene is concerned, prospects do not look so bright.

**T**HE difficulty that the two auction houses experienced in putting together their mid-November sales is in line with the trend of the last few years. When pressed hard, professional cooed that there is considerable activity in the field, but that it takes place behind closed doors. Important transactions are handled either by dealers or, sometimes, by auction houses brokering sales "by private treaty."

The reason for this may well be linked to the fact that buying Contemporary Art at auction is no longer as fashionable as it used to be in the

United States, as all those involved in the market will privately concede.

The Contemporary Art market is slowly contracting back to its natural constituency, a small number of adventurous collectors.

Auctions, to be truly successful, require a large attendance. They make sense for Impressionist art for which there are thousands of buyers, and less so for Contemporary Art. Those who own important contemporary works are not inclined to take the risks inherent in any auction. They prefer to target potential buyers directly, via dealers.

The latest sales will do little to change their minds. Too many works were sold below the low estimate, which generally means that vendors were called shortly before the auction, informed by the specialist that there was "less interest than we expected," and urged to lower their reserves. When this happens, most vendors feel they have been trapped, and they don't like it.

One last but important factor makes auctions a more difficult venue for Contemporary Art than for earlier schools of painting.

The extreme simplicity of many of its creations leads more easily to a feeling of déjà vu. How often can you gaze at vertical colored bars painted side by side, such as those of Morris Louis, without somehow thinking you have seen it all before? Or at the rhythmic doodles of Cy Twombly? Here repeated public viewings are not necessarily conducive to greater enthusiasm on the buyer's part.

The Contemporary Art market now seems to be reverting to the situation that prevailed for years, a very private market, with auctions playing a secondary part. This is the first time in decades that auction houses find themselves ceding ground to the art trade. The game will be worth watching.

## BOOKS

**INTIMATE WORLDS:**  
Life Inside the Family  
By Maggie Scarf. 466 pages.  
\$25. Random House.

Reviewed by Jon Katz

**L**URID headlines and exotic talk-show topics come and go, but Maggie Scarf wastes no time reminding us, in her powerful and useful new book, "Intimate Worlds," what the biggest story in most of our lives really is: "the dramas of families — which have to do with loving, losing, power, intimacy, conflict, and the pressure of the past to reassert itself in the present."

Family life seems to be driving many of us nuts these days. Anxiety about childbearing and reading, confusion and change in sex roles, blurred boundaries between adults and children, epidemic claims to victimization — these fill memoirs, support group agendas and therapists' offices.

"Intimate Worlds" is a guidebook through the workings, strategies, mistakes, disappointments and tragedies of the American family. Scarf knows the intricacies of the family structure and, even better, knows how to write well about them. She avoids almost all of the psychoanalytic jargon that surrounds discussions of relationships — no "issues," no "sharing" — jargon that makes so many of us twitch.

In "Intimate Worlds," as in most of our lives, family is riveting, white-knuckle stuff. Scarf reminds us that our problem isn't hearing too much about families but knowing too little. Readers of "Intimate Worlds" will recognize the troubles and symptoms raised in Scarf's case studies almost from the first page. Though they may

squirm uncomfortably along the way, they will not stop seeing the problems, mistakes and challenges in their own and other families right up to the end.

Scarf, a social scientist, writer and senior fellow at the Bush Center for Child Development and Social Policy at Yale University, brings us inside the daily lives of five families with confidence and clarity. We meet 15-year-old Dave, hospitalized one Sunday afternoon when he threatened his younger sister with a gun. We meet and Claire Maguire, "An Always Angry Husband and a Never Angry Wife," and their bulimic daughter, Kate. Toni Gifford is a mental-health worker whose

mother tends to speak for her. There are parents who can't seem to establish boundaries between their lives and their children's, and kids so anxious to get help for their troubled family that they become heart-breaking "symptom-bearers" to attract attention.

In researching and explaining her research and conclusions, Scarf uses a psychological family evaluative system called the Beavers Scale of Family Health and Competence. She breaks her families into five telling categories — Level 5: "The Family in Pain — Ghost-Ridden, Leaderless, Confused"; Level 4: "The Polarized Family — The Tyrant and His Subjects";

Level 3: "The Rule-Bound Family — A Stable, Nontyrannical Form of Governance Emerges; The Problem of Intimacy Is Unresolved." At the top of the ladder, at Levels 2 and 1, are the "Adequate" and "Optimal" families, where a "Trust That Good Things Will Happen in Human Encounters

Grows and Prevails."

Why should we make this informative but painful excursion with Scarf? Because as universal as family life is, it is hard, when all is said, to do it well. Most of us are groping in the dark, hoping we're guessing right. Anything that helps us to do it more in-

telligently is a valuable tool and, at 25 bucks, a bargain.

Jon Katz, a columnist for *Wired* magazine whose fifth novel, "The Father's Club," will be published next year, wrote this for *The Washington Post*.

## Dining Out

**AMSTERDAM**  
**HAESJE CLAES**  
Real Dutch Cooking. Open from lunch until midnight. Suggests \$25.  
Tel.: 624 99 96. Reservations recommended. All major credit cards.

**Restaurant Christophe**  
A jazz temple since 1947.  
"Best Restaurant in Amsterdam" (Pitt).  
Tel.: 431 10 15. 101 St. Pauluskerk, near St. Pauluskerk. Tel.: 20 62 00 07. Fax: 63 97 132.

**LE STEVIN**  
Chef's specialties: wild mushrooms, carp, roasts. South Sea fish and Scottish beef. 29 rue St. Quentin, 1040 Brussels, near St. Quentin. Tel.: 222 20 98 47. Closed weekends.

**FOCJY**  
The most popular Chinese restaurant.  
New dishes & menus for lunch including menu for children from 7.5 F. Private dining room. 77, rue de la Chapelle, 1150 Brussels. Tel.: 462 42 36. 6-7 p.m. on Saturdays. Tel.: 47 63 27 12.

**PARIS 2nd**  
**LA TERRASSE**  
Brings lunch & dinner.  
21 rue de la Chapelle. Tel.: 47 63 27 12.

**PARIS 3rd**  
**AUX LYONNAIS**  
Traditional French cooking in authentic 1900 decor. Excellent wine & gourmet waters. 32, rue St. Marc. Tel.: (1) 42 90 25 04.

**PARIS 3rd**  
**NEW ORLEANS JAZZ BRUNCH AT THE HOLIDAY INN**  
Buffet "All you can eat" New Orleans jazz brunch. Kids entertained. 19 rue de la Chapelle. Tel.: 47 63 27 12.

**PARIS 3rd**  
**KERVANSARAY**  
Turkish & Iranian specialties, Lebanese bar, best seafood restaurant, 1st floor. 10 rue de la Chapelle. Tel.: 47 63 27 12.

**PARIS 3rd**  
**LA TERRASSE**  
Brings lunch & dinner.  
21 rue de la Chapelle. Tel.: 47 63 27 12.

**PARIS 3rd**  
**AUX LYONNAIS**  
Traditional French cooking in authentic 1900 decor. Excellent wine & gourmet waters. 32, rue St. Marc. Tel.: (1) 42 90 25 04.

**PARIS 3rd**  
**NEW ORLEANS JAZZ BRUNCH AT THE HOLIDAY INN**  
Buffet "All you can eat" New Orleans jazz brunch. Kids entertained. 19 rue de la Chapelle. Tel.: 47 63 27 12.

**PARIS 3rd**  
**KERVANSARAY**  
Turkish & Iranian specialties, Lebanese bar, best seafood restaurant, 1st floor. 10 rue de la Chapelle. Tel.: 47 63 27 12.

## Shopping at FAUCHON

28/29/30 Place de la Madeleine  
75008 PARIS  
Tel.: 47 42 00 11. Fax: 47 42 28 71

• Turkey (uncooked or Roast stuffed)  
• American stuffing  
• Sweet Potatoes (whole cooked)  
• Whole Cranberry Sauce  
• Mince Meat  
• Pumpkin Pie  
• Cheese-cake

All traditional and seasonal delicacies  
Open without interruption  
Monday through Saturday  
8:40 a.m. - 7 p.m.

Mini Pauchon: until 8:30 p.m.  
Telephone orders recommended  
48 hours in advance to ensure timely service.

Our Cafeteria and its special Thanksgiving menu at lunch time: Creamy mushroom soup, roast stuffed turkey, pecan & pumpkin pies.  
50 Place de la Madeleine.  
Open from 8:15 a.m. to 6:30 p.m.

And Also:  
At 30 Place de la Madeleine: Restaurant "Le 30" or our "Bistrot du Caviar," with its finest caviar and salmon dishes, are both inviting you to enjoy yourself in a warm and gastronomic atmosphere. Res. Phone: 47 42 56 58. Fax: 47 66 38 55.

At 28 Place de la Madeleine: Join our Brasserie Fauchon and dine in a musical and informal tone. Open from 7 p.m. to 1 a.m.

At 26 Place de la Madeleine: Looking for the freshest Sea Food? Our "Bistrot de la Mer" will propose you its best selection at lunch and dinner time. Phone: 47 42 90 30. Fax: 47 42 90 30.

Our Trattoria people will welcome you to share their best Italian products and dishes in a convivial surroundings. Phone: 47 42 90 30. Fax: 47 42 90 30.

Open from Monday to Saturday.

## auCTION sales IN FRANCE

**DROUOT RICHELIEU**  
19, Rue Drouot, 75008 Paris - Tel.: (1) 48 00 20 20.

**PARIS**

**Sunday, November 19, 1995**  
Room 10 at 2:30 p.m. 1820 - 1950 AMERICAN QUILTS. Catalogue available. **MILLON-ROBERT**, 19, rue de la Grange Batelière, 75009 PARIS. Tel.: (1) 48 00 99 44 - Fax: (1) 48 00 98 58.

**Monday, November 27, 1995**  
Rooms 5 & 6 at 2 p.m. From a private collector: OLD MASTER DRAWINGS AND PAINTINGS - FURNITURE AND OBJECTS D'ART - RUGS - TAPESTRIES. **MILLON-ROBERT**, 19, rue de la Grange Batelière, 75009 PARIS. Tel.: (1) 48 00 99 44 - Fax: (1) 48 00 98 58.

**Monday, November 27, 1995**  
Rooms 1 & 7 at 2:15 p.m. 17e, 18e, 19e Century FURNITURE AND OBJECTS D'ART from a Chateau of the South of France and various collectors. Expert: M. J. Saint-Bris. On view: **ENADE TAJAN**, 37, rue des Mathurins, 75008 PARIS. Tel.: (1) 53 30 30 30 - Fax: (1) 53 30 30 31.

**Wednesday, November 29, 1995**  
Room 1 at 2 p.m. FAR EAST ART. Expert: M. Th. Portier. On view at Drouot room 1 Tuesday, 28, from 11 a.m. to 6 p.m., Wednesday, 29, from 11 a.m. to noon. **ENADE TAJAN**, 37, rue des Mathurins, 75008 PARIS. Tel.: (1) 53 30 30 30 - Fax: (1) 53 30 30 31.

**Friday, December 1, 1995**  
Rooms 5 & 6 at 2:15 p.m. From Mr. S. Hôtel Particulier: OLD MASTER DRAWINGS AND PAINTINGS - ENGRAVINGS - ARCHITECTURE - JEWELRY - SILVER - BRONZEN - FURNITURE AND OBJECTS D'ART - RUGS - TAPESTRIES. Part viewing at ENADE TAJAN till November 26, public viewing at Drouot rooms 5 & 6, November 30, from 11 a.m. to 6 p.m., December 1, from 11 a.m. to noon. **ENADE TAJAN**, 37, rue des Mathurins, 75008 PARIS. Tel.: (1) 53 30 30 30 - Fax: (1) 53 30 30 31.

In NEW YORK please contact Kety Maisonneuve & Co. Inc. 16 East 65th Street, Fifth floor, N.Y. 10021. Phone: (212) 737 35 97 / 737 38 13 - Fax: (212) 851 14 34.

**Friday, December 1, Saturday, December 2, 1995**  
At 11 a.m. and 2:30 p.m. D'UNE BIBLIOTHEQUE L'AUTRE. EXCEPTIONAL MANUSCRIPTS OF RENÉ CHAR, illustrated by 20th century artists, from the collection of Daniel Filipacchi - IMPORTANT MODERN ILLUSTRATED BOOKS from various collections. Expert: **Sizic Audevard** 68, rue de l'Université, 75007 PARIS. Tel.: (1) 42 22 96 70 - Fax: (1) 42 22 57 43. Private viewing by appointment with the expert November 20 to 26. Public viewing at Drouot: November 30, 11 a.m. - 6 p.m. Catalogue available at the auctioneer: (FF280 by mail). **LOUDEMIE**, 7, rue Passini, 75009 PARIS. Tel.: (1) 44 79 90 90 - Fax: (1) 44 79 90 51.

**DROUOT MONTAIGNE**  
15, avenue Montaigne, 75008 Paris - Tel.: (1) 48 00 20 80.

**Thursday, November 30, 1995**  
At 11:30 p.m. IMPORTANT MODERN PAINTINGS AND SCULPTURE - IMPORTANT SET OF PAINTINGS BY BERNARD BUFFET from 1946 to 1978. **MILLON-ROBERT**, 19, rue de la Grange Batelière, 75009 PARIS. Tel.: (1) 48 00 99 44 - Fax: (1) 48 00 98 58.

**NEW AUTHORS**  
PUBLISH YOUR WORK  
ALL SUBJECTS CONSIDERED  
Authors World-wide invited  
Write or send your manuscript to  
**MINERVA PRESS**  
2 OLD BROMPTON RD, LONDON SW7 7 3DD

To our readers in France

It's never been easier to subscribe and save with our new toll free service. Just call us today at 05 437 437.

مكتبة النور



# MORE IS LESS.



via the



**MORE NEWS, VIEWS AND FEATURES FROM AROUND THE WORLD DAILY.  
LESS TO PAY. SAVE UP TO 54% WHEN YOU SUBSCRIBE NOW.**

## THE WORLD'S DAILY NEWSPAPER

Country/Currency		12 months +2 months FREE	% SAVINGS for 1 year	3 months +2 weeks FREE
Austria	A. Sch.	6,000		1,800
Belgium	B. Fr.	14,000		4,200
Denmark	D. Kr.	3,400		1,050
France	F. F.	1,950		590
Germany*	D. M.	700		210
Great Britain	£	210		65
Ireland	£ Ir.	230		68
Italy	Lira	470,000		145,000
Luxembourg	L. Fr.	14,000		4,200
Netherlands	Fl.	770		230
Portugal	Esc.	47,000		14,000
Spain	Plus.	48,000		14,500
hand delivery Madrid	Plus.	55,000		14,500
Sweden (airmail)	S. Kr.	3,100		900
hand delivery	S. Kr.	3,500		1,000
Switzerland	S. Fr.	610		185
United States	\$ US	360		115

\* For information concerning hand delivery in major German cities call toll free IHT Germany at: 0130-84 85 85 or fax (069) 175 413. Under German regulations, a 2-week free period is granted for all new orders.

Yes, I would like to start receiving the International Herald Tribune.

The subscription term I prefer is:

☐ 12 months (plus 2 free months) ☐ 3 months (plus 2 free weeks) ☐ Please charge my:  
☐ American Express ☐ Diners Club ☐ VISA ☐ Access ☐ MasterCard ☐ Eurocard  
 Credit card charges will be made in French Francs at current rates.

Card No: \_\_\_\_\_ Exp. Date: \_\_\_\_\_

Signature: \_\_\_\_\_

For business orders, please indicate your VAT No: \_\_\_\_\_  
 (IHT VAT Number FR74732021126)

Mr/Mrs/Ms Family Name: \_\_\_\_\_ First Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City/Code: \_\_\_\_\_ Country: \_\_\_\_\_

Home Tel No: \_\_\_\_\_ Business Tel No: \_\_\_\_\_

I do not wish to receive relevant details from other companies ☐

Mail or fax to: International Herald Tribune  
 181, avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Fax: (+33 1) 41 43 92 10  
 OR CALL (+33 1) 41 43 93 61  
 In Asia, call: (+852) 29 22 11 88, in the USA, call toll-free: 1-800-882-2884

Offer valid for new subscribers only.





# OMAN

During the last 25 years, the sultanate of Oman, one of the lesser-known countries of Arabia, has witnessed an extraordinary social and economic renaissance. This has been made possible by the prudent use of its limited oil and gas resources. Its perceptive ruler, H.M. Sultan Qaboos bin Said, has played a key diplomatic role in searching for peace in the Middle East and was represented at the recent funeral of the Israeli prime minister.



H.M. Sultan Qaboos bin Said (above); the royal coat of arms shows a reflection of the palace gates (top left).

H.M. Sultan Qaboos bin Said seeks more job opportunities for Omani citizens, urges a greater economic role for women and censures Muslim extremists.

It is now 25 years since you ascended to the throne of the Sultanate of Oman. During this time you have slowly but surely brought the Sultanate into the 20th century. What are you most proud of having achieved during this period?

I am pleased with the thought that my people now have a fine quality of life and every reason to look forward to a secure future in which they will play their full part in Oman's continued progress. It is a source of great happiness to me when I travel through

Oman, meeting people and discussing their hopes and needs with them, to see them now enjoying such an improvement in their lives — the children healthy, bright and full of energy, preparing for the years to come.

In 1970, nothing of the sort existed in Oman. Childbirth mortality rates were horrifying, and diseases such as trachoma and glaucoma were literally blinding our children. Tuberculosis, polio, malaria and other diseases were widespread. As for education, there were almost no educational facilities at all.

Would you comment on other achievements, perhaps in the social and economic fields?

Once the two most important needs — an efficient health service and a compre-

hensive education system — were in hand, our people had to be encouraged to take the fullest advantage to use their talents in rising opportunities.

You have only to visit our schools and university to see the eagerness with which our young people are receiving our education and the success with which both young men and women are taking up the careers that are open to them. As you know, women in the past had no future, apart from the narrowest domestic existence.

Because of the total exclusion of women from professional and public life, only 50 percent of the ability of Omani people was being utilized. I was determined to alter that. Now women are elected members of the Majlis A'Shura — our parlia-

ment — and are playing an active role in government, business and every other walk of life.

Secondly, from the beginning I was aware that something had to be done to reduce Oman's total dependence on oil revenues. It was essential to diversify our economy.

This diversification policy is going well: over 30 percent of our national income is derived from non-oil sources, and our industrial estates are being increased.

For example, we are now exporting refined copper, pharmaceuticals, plastics, processed foods and other products, even cosmetics. We are also manufacturing all the uniforms for our armed forces and the police.

You have embarked on a very ambitious educational

and vocational training program. Do you see Omanis playing an even greater role in the commercial and industrial sectors?

Indeed I do. I am determined that our "Omanization" program — the drive to make Omanis take over from foreign nationals — should be pressed forward as a matter of the highest priority. As young Omanis now come forward after being professionally trained as doctors, engineers, scientists and administrators, it is right that they should now take the economic life of the country into their own hands.

You have established the Majlis A'Shura (the parliament). Is this the first step towards a greater democratization? How effective is the Majlis, and do you, as Sul-

tan, find it useful in reflecting the views of the people of Oman?

I have always viewed the full participation of my people in the life of their country as being both right and essential. The establishment of the Majlis, which is the latest step in popular involvement in the national administration, is part of this natural progression. Although our country is an ancient one, lack of education has prevented Omanis from gaining the experience necessary for effective, modern government. To have hurried on precipitously to acquire the trappings of Western democratic society would really have been disastrous. Indeed, we are not going to import a Western form of democracy: we are developing a truly Omani democracy which will give our people their voice and preserve our religious and cultural traditions, the very basis of our lives.

The Majlis provides sound guidance of public opinion and its recommendations are of the greatest value. The advent of women and their contribution to the Majlis is a great success. One cannot govern fairly and effectively — and certainly not honorably — if one is not in tune with one's people. The Majlis and my annual meet-the-people tours admirably provide me with this requirement.

Many Arabs have become more outspoken about how things should, or should not,

be done in the Islamic world. Often the West labels some as "fundamentalists." As the 21st century dawns, do you believe that Islam will need to change, and if so how will this be done without weakening, or even destroying, the basic structure?

Those small factions that seek to use the Muslim religion as a vehicle for their political ambitions should never be called "fundamentalists." They do not deserve the term since they seek to distort the Muslim religion to achieve their secular aims. The Muslim religion is a living religion, one that must be interpreted according to its basic principles and the ever-changing requirements of life. There is no place in our religion for extremism under whatever guise, fanaticism of whatever kind, or factionalism of whatever persuasion.

Over the quarter-century to come, what do you think will be the primary changes or improvements made in

the Sultanate of Oman?

The main changes will be those social developments arising from the strength which we are able to achieve in our economy. It is the national economy which lies at the root of a nation's life. A strong economy breeds strong and confident people. Our successive Five-Year Plans will develop our economy so as to sustain our people's ambitions. We must maintain full employment. But of course there will be problems — the birth rate must not exceed our ability to care for our people and to provide full employment. We must ensure that we have adequate supplies of water, so vital in this arid region.

Finally, I hope that our influence abroad will enable us to increase our efforts towards peace as well as towards the welfare of humankind in general.

(This text has been abridged.)

Interview by Michael Frenchman

## IN MEDICINE, THE FOCUS IS ON PREVENTING ILLNESS

The health minister outlines a comprehensive wellness program that involves keeping the body healthy and the environment clean.

The changes in Omani health care have been staggering in the last 25 years. Life expectancy for men has shot up from 49 years to 67 years (now 70 years for women), and the mortality rate has dropped from 120 per thousand people to just 29 per thousand.

Ali bin Mohammed bin Mousa, the minister of health, is an outspoken advocate of preventive medicine and holds some radical views about modern health practices.

"We vaccinate our children against all the usual diseases like rubella, mumps and hepatitis B because we believe that in the end this will save us money. We are also trying to keep our environment clean and to promote a more healthy way of living by teaching the importance of hygiene," says the minister.

Malaria had been a problem until recently, with thousands of cases being reported.

"In August, we only had 85 cases, a few in Muscat and along the Batinah coast. The victims were mostly expatriate workers."

### Staying out of the hospital

Strategic health care is based on a decentralization policy, with each region having a semi-autonomous role in determining and executing its needs under the overall guidance of the ministry. At the end of last year, there were 46 hospitals with a total

of only 3,860 beds, 29 health centers with maternity wards and 82 ordinary health centers. There is a ratio of 2.2 beds per 1,000 population compared with 10 and 12 in Japan

hospital care is less in demand because of superior preventive care and better diagnostics. "We are trying to teach people that going to the hospital should not be the ultimate

modern illnesses that are due to a change in lifestyle.

"We have to face up to diseases of the First World: cardiovascular diseases, diabetes (very high, 10 percent of the population) and trauma cases from road accidents," Dr. Ali comments.

Another problem that Oman is facing is a rapid increase in population. More than 500,000 people are under the age of 18. The annual population growth rate for Omani nationals is 3.9 percent; it is over 6 percent for the whole population, including expatriates. Omani families are large — averaging eight or nine children — which places a substantial burden on resources. Birth control has become an important aspect of the ministry's program.

"We are trying to teach the importance of birth 'spacing' and explain to the husbands that there should be a gap between the birth of a new child and the next one. About 20 percent of mothers now practice some kind of contraception. Omanis must realize that they cannot afford to have big families. It is going to take time for the message to get through, but I think time is in our favor," Dr. Ali says.

"Our emphasis today is very much on primary health care and the promotion of prevention followed by curative care because this saves us money," he concludes.



Most Omani families have eight or nine children, but family planning is on the rise. The health ministry has emphasized that rapid population growth can burden resources.

and France respectively and five in the United States.

"We always preach the message that there is no need for more hospitals and more beds, because this just creates more bureaucracy in the system," says Dr. Ali, who believes that

aim. It is the Omani's responsibility to keep himself or herself in good health."

'First World diseases' Dr. Ali thinks that traditional diseases have now been replaced by

## AN EDUCATION REVOLUTION IS TAKING PLACE

One of the pillars of Oman's renaissance has been education. In 1970, there were only three schools, for boys only, with a total of 30 teachers and 900 students in the whole sultanate. Today there are 947 schools, with just under 500,000 pupils almost equally divided between boys and girls. The number of teachers is 21,457.

Today a young Omani can receive a total education within the sultanate from primary school through to graduation from the Sultan Qaboos University. The university, inaugurated in 1980, is one of the most prestigious in the region. Some 65 percent of its students are women.

Strong efforts continue to be

made to eradicate illiteracy among adults, and there are more than 250 literacy centers in the country. What is surprising, particularly in the capital area, is the large number of English-speaking adults, from drivers to hotel workers. Many learned the language during service with the defense forces or the Royal Oman Police, which in the 1970s had a large number of English-speaking contract officers.

### English premium

In order to keep abreast of science and technology, not to mention business studies, the Sultan has declared that learning English must be an essential part of any curriculum.

"There is now a realization that our future very much depends on a knowledge of English as the business language and a universal means of communication. It should also help us achieve much higher standards in vocational and technical training, where we have been lagging sadly behind," one leading Omani businessman commented.

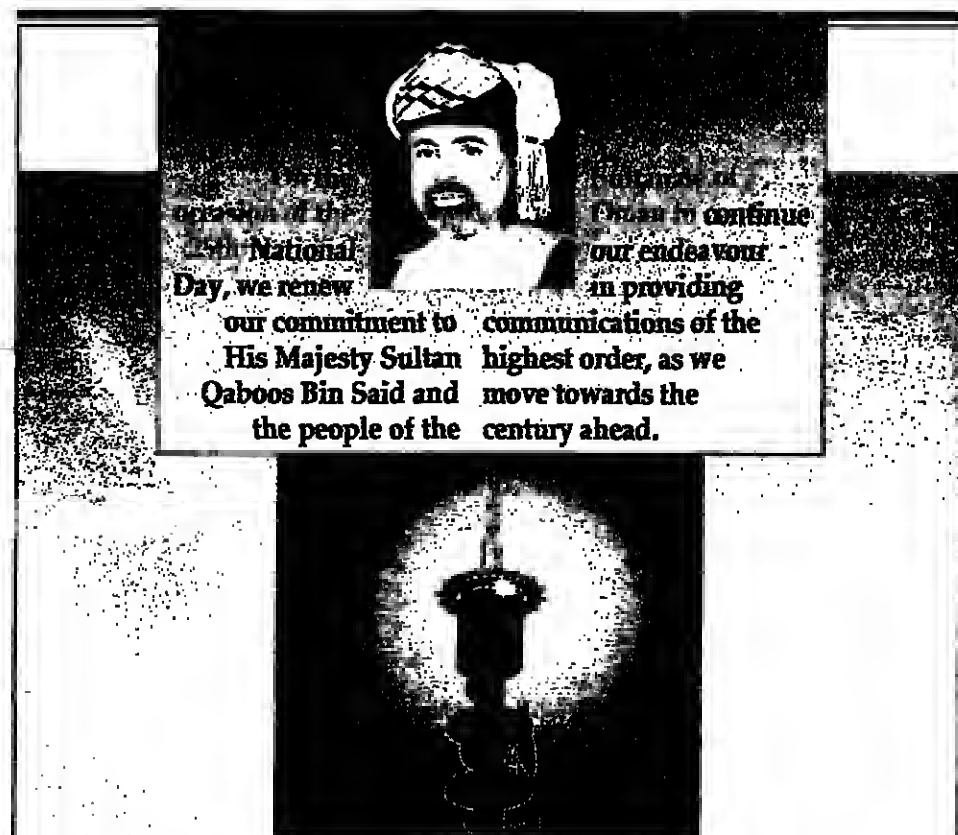
To make up for lost time, changes are to be made for higher technical training.

"The government is going to contract out about 70 percent of technical education because the private sector will be able to offer more choice," says Mohamed bin Mousa Al Yousef, minister of state

for development affairs. The government intends to set standards that would be internationally recognized. Parents are to be offered between \$4,000 and \$5,000 as an incentive to send their children to the private technical colleges.

### Private schools

In fact, there has been a degree of privatization in education since 1973, when the first private school opened. There are now 69, with nearly 13,000 pupils and over 880 teachers. Further privatization is likely, and parents can opt out of sending their children to state schools for basic education; they will receive up to 70 percent of fees if they choose private schools.



Playing a pivotal role in the renaissance of the Sultanate of Oman, General Telecommunications Organization has always strived to get the best of the world, employing highly sophisticated state-of-the-art technology. With Global Network Services (GNS) and the Digital Data Network, OmaniNet, today, the Sultanate has established a vital link with the rest of the world.

## Reaching out to the world



Ministry of P & T

General Telecommunications Organization

P.O. Box 700, Muscat

was produced in its entirety by the Advertising Department of the International Herald Tribune.  
WRITER: Michael Frenchman, a London-based writer who specializes in the Middle East.  
PROGRAM DIRECTOR: Bill Mahder.



# O M A N

## STOCK EXCHANGE IS SET TO BE A LEADER IN THE ECONOMY

Foreigners have 49 percent stake in first investment fund.

The Muscat Securities Market (the local stock exchange) is one of the most advanced and liberal of the exchanges in Arabia and the Gulf. It is set to play a more important role in the economic development of the country as the government tries to encourage greater privatization.

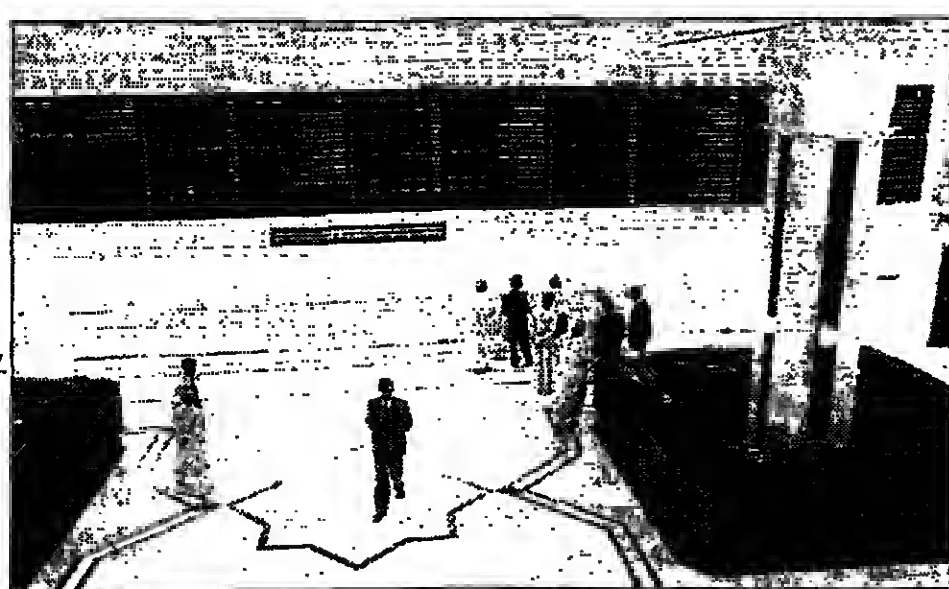
The MSM started in a small office located in the ministry of commerce and industry in 1989 and moved into its own building two years ago.

"In those days, there were only 49 stocks listed with a

total market capitalization of \$800 million. Now we have more than 100 stocks with a capitalization of \$3.5 billion. More than 60 stocks are actively traded," says Mahmood Mohamed Al Jarwani, executive president of the Muscat Securities Market.

Average daily trading (there are two sessions) amounts to between \$2 million and \$2.5 million, an increase of 24 percent over last year's daily average.

The MSM is developing rapidly as more instruments are introduced. In the beginning, only shares were trad-



Traders observe and confer with each other about the day's activity at the stock exchange in Ruwi.

ed. Today the market deals in development bonds, convertible bonds and investment funds.

"Investors now have many different options and choices," Mr. Mahmood adds. Last year saw the launch of the first investment fund (RO 20 million, or \$31.9

million) — 49 percent foreign and 51 percent Omani. It was oversubscribed by 100 percent. Since then two more funds have been launched.

"I am very optimistic, especially as 49 percent is open to foreign investors," says Mr. Mahmood.

Two Omani stocks are also listed on the Bahrain Stock Exchange.

A new capital markets law is expected to be introduced early next year, which, it is hoped, will establish proper regulatory systems, including a securities commission and stock exchange council.

## BANKING SECTOR GAINS: 'PRUDENT HOUSEKEEPING AND GENTLE PRODDING'

Mergers have strengthened the collective clout of the commercial banks.

The Omani banking system has gone through a striking change and is now in a very healthy position.

With an increased focus on privatization and the growth of the securities market, the banks are likely to play an increasingly active role. Prudent housekeeping and some gentle prodding from the Central Bank have led to a number of mergers as well as to a substantial increase in the strength of the commercial banks' assets base.

"The banks are enjoying a strong position and are very healthy overall, as we have convinced them to increase their paid-up capital and persuaded more of them to merge," comments Hamoud Sangour Hashim, executive president of the Central Bank. Three of the latest mergers have resulted in the Bank of Muscat Al Ahli Al Omani, the Commercial Bank of Oman and the Oman Arab Bank.

The Bank of Muscat Al Ahli Al Omani turned in a net profit of 3.5 million Omani Riyals (\$9 million) for the first half of this year. At the end of 1994, total assets amounted to RO 301 million, followed by Oman International Bank (RO 292 million) and the National Bank of Oman (RO 288 million).

"These mergers have strengthened both client and consumer base and the banks are now recouping the benefits of cutting administration costs and getting a bigger share of business," says Mr. Hamoud.

### Combined assets

A fourth merger now taking place is between the Oman Development Bank and Oman Bank for Agriculture and Fisheries, whose combined assets are said make it one

of the largest banks in Oman. Talks between the two banks have been going on for many months and a final decision is expected to be reached shortly.

"Although we don't expect any other mergers, we would welcome them and we are offering various incentives," adds Mr. Hamoud.

The commercial banking system has grown considerably since 1970, when total deposits amounted to only RO 33 million. These had grown to RO 1.36 billion by the end of 1994. By the end of last June, they stood at RO 1.3 billion.

"The dimension of banking development has been remarkable over the years," comments Mr. Hamoud.

"Total credit extended by the commercial banks was hardly RO 4 million in 1970. This went up to RO 293 million in 1980, RO 272 million in 1990 and had accelerated to RO 1.38 billion by the end of June."

### Private sector involvement

Mr. Hamoud says that the banks were not very liquid but that there was more emphasis being placed on involvement in the development of the private sector in possible new floatations and public issues. Although there are prospects of a number of major capital projects related to the oil and gas sector, opportunities for the local banks to participate are extremely limited due to the banks' overall size.

As one banker remarks: "You have to put the Omani banking system in perspective — its combined assets are less than that of any of several single Gulf banks. The opportunities are in financing local manufacturing or processing industries."

*The opportunities are in financing local manufacturing or processing industries'*

## NATURAL GAS JOINS OIL AS A MAJOR EARNER

Oil has been the key to Oman's renaissance and is likely to remain the major revenue earner for the foreseeable future. Oil sales are likely to exceed \$4.5 billion by the end of this year. Production today is about 850,000 barrels a day, and recoverable reserves are estimated to number some five billion barrels.

The prospects for exploitation of natural gas also offer substantial potential. According to one oil consultant in Muscat, total "bankable" reserves are thought to be between 40 and 50 billion cubic feet. "Our current reserves are

enough for us to start at least one major export project plus, perhaps, a couple of smaller ones," says the consultant. While there is considerable discussion about diversifying away from total dependence on oil, the focus of attention is on gas — in particular, the massive \$6 billion-plus liquefied natural gas (LNG) processing plant and the Oman-India pipeline.

### Looking abroad

Last month, it was announced that Oman LNG, the company set up to process the natural gas, will be going to the international markets to

try to raise 70 percent of the first \$3.5 billion.

"The rest will be raised by equity financing," comments Tony Hanna, general manager of Oman LNG. Chase Manhattan is acting as consultant for the financing, and more than 200 banks are expected to take part in the syndication. Royal Dutch/Shell, with 34 percent, is the major shareholder.

The success and indeed, the viability, of the project depends on a long-term sales agreement with South Korea. According to the oil consultant, South Korea is expected to take about 3.2 million tons of

gas a year. "We expect the first stage of the project to be completed by the year 2000," says the consultant. "This will involve one processing train, and the second train will probably depend on a long-term sales agreement with Japan."

An 800-mile undersea gas export pipeline to India is the other major project. It is being promoted by Oman Oil Co., which has already spent \$12 million on a feasibility study of what will be the world's deepest pipeline — two miles deep in places.

Oman Oil is seeking to raise \$4 billion for the project.

## TELECOMS: LINKS TO REMOTE AREAS

The latest technology can be found in the desert.

The development of modern telecommunications in the second-largest country in Arabia, which had only three international and 500 domestic telephone lines in the capital area in 1970, brings its own peculiar problems. In a land that has many areas that are remote from normal power supplies and that ranges from subtropical forests in the south to the treeless Musandam peninsula in the north, solar panels provide electricity for more than 100 small microwave repeater installations.

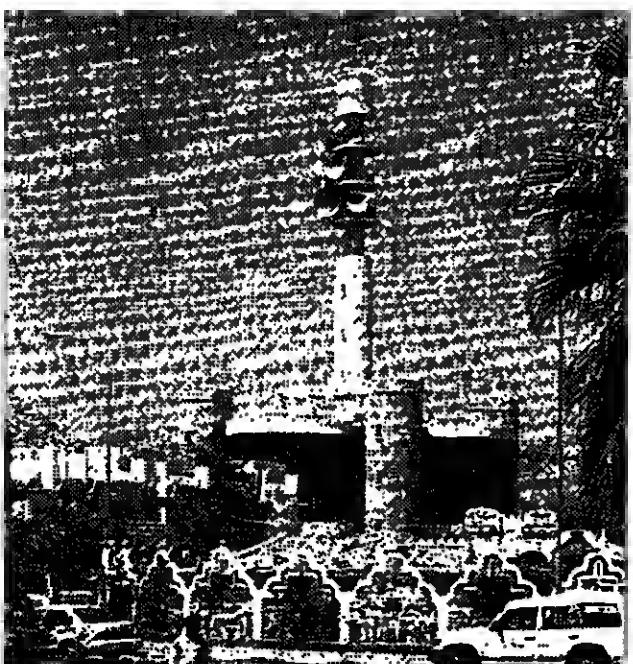
Virtually the whole country is covered with either fixed-line facilities, mobile radio or satellite systems. At the end of last August, the sultanate had 118 digital switching exchanges, with a capacity to handle 221,813 fixed and mobile circuits. The transmission systems include a mix of the latest technology, including both analog and digital coaxial cables and microwave stations, optic fibers and a domestic satellite facility operating through Arabsat.

By the beginning of this month, the GTO had hoped to bring full telecommunications coverage to the mountainous Musandam peninsula, which although sparsely populated has scores of small villages — one or two of which are only accessible by boat.

"We are also going to have a new digital station," says Noor bin Mohamed bin Abdulrahman, president of the PTT's General Telecommunications Organization, "with both analog and digital services, being installed at the Al Amerat Earth Station, which will provide an additional capacity of 40,000 circuits. This will provide coverage for some new areas and will be available to meet additional demand."

Oman has been a communications trailblazer, with many subscriber services, including voice mail, data transmission via GNS (Global Network Services) and the domestic satellite service (Domosat), which was introduced in 1977 to provide links between Muscat, the capital, and the Dhofar region in the extreme south. Oman was one of the first Middle Eastern countries to introduce GNS, in 1993. Now the GTO is introducing a VSAT (Very Small Aperture Terminal) system to meet a growing demand for quality communications from remote oil exploration rigs and small villages that cannot be served by conventional systems.

The demand for leased and dial-up data services has increased rapidly in the last few years, with more than 1,100 subscribers. With the continued liberalization and greater diversification of the economy as more foreign investors move into the sultanate, the GTO expects the demand for its GNS services to continue rising.



A microwave telecommunications exchange tower in Ruwi.

Mr. Noor says that the GTO intends to keep abreast of communication developments and will shortly provide a local "node," or access point for computer users to access the Internet.

"We want to encourage the establishment of local user groups who will develop and implement local database resources. This will reduce dependence on international service providers and allow a greater proportion of revenues to remain in Oman for reinvestment in more facilities."

### The obsolescence treadmill

The one area the GTO refuses to rush into is mobile satellite communications, for both political and practical reasons. GSM (Global System for Mobile communication) has been under study for some time.

"The equipment itself is becoming smaller and cheaper; costs for the systems are dropping all the time. At least the system we buy should be the latest type. Some Gulf countries that took the lead are already having to replace their existing systems," explains Mr. Noor.

The other major issue is privatization. Already the sale of telephone instruments and pagers has been liberalized for some time. "The question now is, 'Should we privatize GSM?'" says Mr. Noor. From comments made in some government circles, it seems that the next five-year plan, due to start next year, will call for either partial or total privatization of the proposed GSM network, which would fill an important gap in Oman's overall telecommunications system.

## TOURISM INCREASES AT A STEADY PACE

The government is inviting tourists to Oman, but it does not necessarily want them to visit en masse.

From the beautiful Sohar Beach Hotel, with its miles of dark sand stretching as far as the eye can see, to the stark, mountainous Musandam peninsula and the lush subtropical areas of Dhofar in the south, Oman has some of the best-kept secrets of the tourist world.

Last season, more than 22,000 European tourists made their way to this unknown part of the Arabian peninsula. Oman is a kaleidoscope of history and tradition spanning more than four millennia, with dozens of archaeological sites from the Iron and Bronze Ages to the 16th-century era of colonial Portuguese invaders who left behind a network of fortresses and defense works. Many of the castles, with their distinctive round towers, are now being restored. A fort at Bahja now under restoration has been listed in UNESCO's Index of the World's Cultural Heritage.

Oman has a long tradition as a maritime nation. Merchants traveled far afield, down the African coast to Zanzibar and to Southeast Asia and China. Some historians credit the Omanis with leading the Portuguese navigators on their discovery voyages to the east.

The maritime heritage of the Omanis has given them a very cosmopolitan attitude toward the modern world that sets them apart from most of their Gulf neighbors. They have one of the



The Sohar Beach Hotel, with a pool and slide, offers amusement for children and tranquility for adults.

largest indigenous population (about 1.5 million) and are intensely proud of their tribal traditions even today.

### Measured growth

During the last five years, the government has made a small but positive step toward opening up the country to the discerning tourist market. Until recently, it had been virtually sealed off to all but a handful of European visitors, mainly expatriates from the Gulf states and relatives or friends of expats working in the sultanate. The number of regional tourists is now just over 300,000 a year.

"We are very conservative in our attitude toward tourism," says Saif bin Has-

shil Al Maskery, undersecretary for tourism at the Ministry of Commerce and Industry. "We have just begun to put Oman on the world tourism map, but we don't even have enough hotels for the moment."

Apart from the practical aspects of an acute shortage of hotel rooms, there has also been a feeling that an influx of foreigners with certain Western habits might have negative social consequences on the local population.

The recent arrival of Pizza Hut outlets and the ubiquitous golden arches of McDonald's have already had an effect on local youngsters.

At present, the sultanate

has only 3,000 hotel beds. According to its tourism development plan, it should have 10,000 by the year 2005. A five-star hotel with 285 rooms, which may be managed by Hyatt, is under construction on a beachfront site in Muscat, and a three-star apartment-hotel is also being built. In addition, a feasibility study for a second five-star hotel is being carried out.

### Five percent target

Next season should see the opening of a medium-sized beach resort hotel at Bandar Kharao. A major marina project is currently under construction in the capital area and will be a totally contained recreational and leisure complex, possibly with some villas.

In the extreme south, one of the main centers of the traditional frankincense and myrrh industries, hotels that meet international standards are few and far between. There is only the Holiday Inn in Salalah, which makes a good base for exploring the desert, the recently discovered lost city of Ubar on the edge of the Empty Quarter and the lush subtropical vegetation of the *jebel* (the green mountains). There is also the dramatic escarpment of Habrut on the Yemeni frontier.

Oman has a great deal to offer the tourist. What it lacks is the infrastructure. "We have a target to increase tourism 5 percent annually, but what we now need is more investment," says Saif bin Hashil.

## PRIVATE COMPANIES PROVIDE INFRASTRUCTURE — AND MUCH MORE

One of the Oman government's top priorities is to diversify the economy. This includes decreasing the country's dependence on the oil and gas sector and encouraging the private sector to play a greater role in manufacturing and industry. "Privatization" has become a buzzword now that the government is about to initiate its next five-year plan.

The Omzest Group of companies, which is one of the largest private companies in the sultanate, has played a leading role in the commercial and infrastructure development of Oman. One of its associate companies, Walced, built some of the first schools and hospitals.

Other major projects have included

the Oman Flour Mills and the operation of Mina Qaboos Port. The group was also part of the consortium to build Oman's color television station — the first in the Gulf.

Diversification has been one of Omzest's keys to success. Its activities range from banking and finance to health care, telecommunications, transport and tourism. In addition, companies within the group account for 45 percent of the sultanate's total manufacturing exports.

### Strong export business

"One company, Protein Products International, exports 95 percent of its production to the United States, Europe and Japan," says a company

spokesman. Altogether Omzest exports to more than 30 countries, from Africa to Asia. One of its associate companies, Reem Batteries and Power Appliances, is thought to be the only battery manufacturer in the Gulf that exports the (GCC) Gulf Cooperation Council countries, as well as to Africa and Europe.

"We must contribute more, and we must build on what we have and diversify further to meet the challenge of the next century," says Omar bin Abdul Munim Al Zawawi, president of Omzest. His brother, Qais, the deputy prime minister for financial affairs and one of the sultan's closest advisors, was killed in a tragic auto accident last September while driving with the sultan.

Referring to current business developments, Mr. Omar adds, "Today, manufacturing has become a thrust area within the group. We have 18 highly diversified manufacturing units. The product line includes textiles, automotive batteries, vegetable oils, diapers, footwear, storage water tanks, multipurpose paints, pvc (polyvinyl chloride) and cement pipes and soft drinks. Now we are hoping to increase still further our exports of manufactured goods."

### Focus on health care

Another company that has contributed to the infrastructure is Airmech-Oman, a joint venture contracting company between Airmech of Bahrain and the

local Omani Alawi Enterprises. Major works have included the 100-bed hospital at Buraimi and the VIP extension to the Sultan Qaboos Hospital in Salalah.

For the latter, Airmech-Oman was responsible for the total design, procurement, installation and commissioning of a state-of-the-art operating area and six-bed intensive care unit.

Some other projects involving Airmech-Oman have included the new British Embassy and services for the Royal Oman Symphony Orchestra complex.

The company maintains extensive workshops and manufacturing facilities in the sultanate for aluminum and steel fabrication.

Manufacture  
Al Amal Industries S.A.O.G.  
Amanit Oman S.A.  
Areej Vegetable Derivatives S.A.  
National Detergent S.A.O.G.  
National Heating Industries Co. L.  
Oman Agriculture Development Co. S.A.  
Oman Textile Mills S.A.O.G.  
Protein Products International L.  
Sadalin Paints Oman Ltd.





We extend our heartfelt greetings to  
**His Majesty Sultan Qaboos Bin Said**  
 and the people of Oman on the occasion of  
 the 25th National Day

# MULTI-FACETED OMAN. ENTERPRISING AS ITS PEOPLE.

## The OMZEST GROUP of Companies AND ITS ASSOCIATES

### Al Amal Industries Co. S.A.O.G.

Al Wardha Footwear & Leather  
 Products Co.

### Amiantit Oman S.A.O.C.

### Areej Vegetable Oils & Derivatives S.A.O.G.

Decorative Glass  
 Manufacturing LLC

Gulf Beverage Industries LLC

### National Detergent Co. S.A.O.G.

### National Heaters Industries Co. LLC

### Oman Agriculture Development Co. S.A.O.G.

### Oman Textile Mills Co. S.A.O.G.

Omani Marble Co. LLC

### Protein Products International LLC

Reem Batteries & Power  
 Appliances Co. S.A.O.G.

Reem Radiators & Accessories  
 Co. LLC

Riyam Investment & Trading  
 Establishment LLC

### sadolin Paints (Oman) Ltd.

Waleed Vacu-Lug Tyres Oman LLC

### Areej Business Systems Co. LLC

### Bishara Establishment

General Electronics &  
 Trading Co.

Muscat Cold Stores LLC

### Office Supplies Co. LLC

### Oman Mechanical Services Co. Ltd. LLC

Omzest Beijing

Riyam Marketing  
 & Services Co. LLC

### Waleed Associates

Waleed Communications  
 Co. Ltd.

Waleed Foodstuff  
 & Trading Co. (Wafco) LLC

### Waleed Pharmacy

Zawawi Business Machines LLC

### Zawawi Trading Co. LLC

### Agencies & Representation

Omzest Business Division

### Oman Mechanical Services Co. Ltd. LLC

Reem Scientific & Energy  
 Technologies LLC

### Riyam Engineering & Services LLC

### Waleed Associates

Wilayat Co. Ltd.

### Zawawi Trading Co. LLC

### Construction & Contracting

### National Telephone Services Co. LLC

Oman Services & Supply  
 Organization

Qurum Contractors LLC

Waleed Agricultural  
 Projects LLC

### Banking, Insurance, Finance & Investments

Muscat Commercial  
 Services LLC

Muscat Finance Co. Ltd.  
 S.A.O.G.

### Muscat Insurance Co. S.A.O.G.

### Oman International Bank S.A.O.G.

Oman Securities  
 Portfolio Co. S.A.O.G.

Omzest Investment  
 Division

Risk Management  
 Services LLC

### Services, Shipping, Travel & Tourism

### Advertising International Co. S.A.O.C.

AKA Video Productions LLC

Al Khuwair Development &  
 Services Co. S.A.O.G.

Al Rimah Medical Centre LLC

Circle Freight International LLC

Mezoon Travel LLC

Medical & Scientific Supplies LLC

Muscat Contract Cleaning LLC

Muscat International Services

Oman National Shipping Line

Personal Real Estate  
 Department

### Rees Geophysical Oman LLC

Riyam Computer Services LLC

### Waleed Associates New Zealand Imports Division

Waleed Catering & Services LLC

Waleed Technical  
 Services LLC

YBA Kanoos & Co. (Oman)

Zubair Travel & Service  
 Bureau LLC



*Omar Zawawi Establishment*  
 P.O. Box 879, Muscat, Postal Code 113, Sultanate of Oman  
 Tel: 736239 (6 lines) - Fax: 740230 - Telex: 5542 OMZEST ON - Cable: OMZEST



**Friday's 4 p.m. Close**  
 Nationwide prices, not reflecting late trades elsewhere.  
*The Associated Press.*

[illegible]

3911 3912 3913 3914 3915 3916 3917 3918 3919 3920 3921 3922 3923 3924 3925 3926 3927 3928 3929 3930 3931 3932 3933 3934 3935 3936 3937 3938 3939 3940 3941 3942 3943 3944 3945 3946 3947 3948 3949 3950 3951 3952 3953 3954 3955 3956 3957 3958 3959 3960 3961 3962 3963 3964 3965 3966 3967 3968 3969 3970 3971 3972 3973 3974 3975 3976 3977 3978 3979 3980 3981 3982 3983 3984 3985 3986 3987 3988 3989 3990 3991 3992 3993 3994 3995 3996 3997 3998 3999 4000 4001 4002 4003 4004 4005 4006 4007 4008 4009 4010 4011 4012 4013 4014 4015 4016 4017 4018 4019 4020 4021 4022 4023 4024 4025 4026 4027 4028 4029 4030 4031 4032 4033 4034 4035 4036 4037 4038 4039 4040 4041 4042 4043 4044 4045 4046 4047 4048 4049 4050 4051 4052 4053 4054 4055 4056 4057 4058 4059 4060 4061 4062 4063 4064 4065 4066 4067 4068 4069 4070 4071 4072 4073 4074 4075 4076 4077 4078 4079 4080 4081 4082 4083 4084 4085 4086 4087 4088 4089 4090 4091 4092 4093 4094 4095 4096 4097 4098 4099 4100 4101 4102 4103 4104 4105 4106 4107 4108 4109 4110 4111 4112 4113 4114 4115 4116 4117 4118 4119 4120 4121 4122 4123 4124 4125 4126 4127 4128 4129 4130 4131 4132 4133 4134 4135 4136 4137 4138 4139 4140 4141 4142 4143 4144 4145 4146 4147 4148 4149 4150 4151 4152 4153 4154 4155 4156 4157 4158 4159 4160 4161 4162 4163 4164 4165 4166 4167 4168 4169 4170 4171 4172 4173 4174 4175 4176 4177 4178 4179 4180 4181 4182 4183 4184 4185 4186 4187 4188 4189 4190 4191 4192 4193 4194 4195 4196 4197 4198 4199 4200 4201 4202 4203 4204 4205 4206 4207 4208 4209 4210 4211 4212 4213 4214 4215 4216 4217 4218 4219 4220 4221 4222 4223 4224 4225 4226 4227 4228 4229 4230 4231 4232 4233 4234 4235 4236 4237 4238 4239 4240 4241 4242 4243 4244 4245 4246 4247 4248 4249 4250 4251 4252 4253 4254 4255 4256 4257 4258 4259 4260 4261 4262 4263 4264 4265 4266 4267 4268 4269 4270 4271 4272 4273 4274 4275 4276 4277 4278 4279 4280 4281 4282 4283 4284 4285 4286 4287 4288 4289 4290 4291 4292 4293 4294 4295 4296 4297 4298 4299 4300 4301 4302 4303 4304 4305 4306 4307 4308 4309 4310 4311 4312 4313 4314 4315 4316 4317 4318 4319 4320 4321 4322 4323 4324 4325 4326 4327 4328 4329 4330 4331 4332 4333 4334 4335 4336 4337 4338 4339 4340 4341 4342 4343 4344 4345 4346 4347 4348 4349 4350 4351 4352 4353 4354 4355 4356 4357 4358 4359 4360 4361 4362 4363 4364 4365 4366 4367 4368 4369 4370 4371 4372 4373 4374 4375 4376 4377 4378 4379 4380 4381 4382 4383 4384 4385 4386 4387 4388 4389 4390 4391 4392 4393 4394 4395 4396 4397 4398 4399 4400 4401 4402 4403 4404 4405 4406 4407 4408 4409 4410 4411 4412 4413 4414 4415 4416 4417 4418 4419 4420 4421 4422 4423 4424 4425 4426 4427 4428 4429 4430 4431 4432 4433 4434 4435 4436 4437 4438 4439 4440 4441 4442 4443 4444 4445 4446 4447 4448 4449 4450 4451 4452 4453 4454 4455 4456 4457 4458 4459 4460 4461 4462 4463 4464 4465 4466 4467 4468 4469 4470 4471 4472 4473 4474 4475 4476 4477 4478 4479 4480 4481 4482 4483 4484 4485 4486 4487 4488 4489 4490 4491 4492 4493 4494 4495 4496 4497 4498 4499 4500 4501 4502 4503 4504 4505 4506 4507 4508 4509 4510 4511 4512 4513 4514 4515 4516 4517 4518 4519 4520 4521 4522 4523 4524 4525 4526 4527 4528 4529 4530 4531 4532 4533 4534 4535 4536 4537 4538 4539 4540 4541 4542 4543 4544 4545 4546 4547 4548 4549 4550 4551 4552 4553 4554 4555 4556 4557 4558 4559 4560 4561 4562 4563 4564 4565 4566 4567 4568 4569 4570 4571 4572 4573 4574 4575 4576 4577 4578 4579 4580 4581 4582 4583 4584 4585 4586 4587 4588 4589 4590 4591 4592 4593 4594 4595 4596 4597 4598 4599 4600 4601 4602 4603 4604 4605 4606 4607 4608 4609 4610 4611 4612 4613 4614 4615 4616 4617 4618 4619 4620 4621 4622 4623 4624 4625 4626 4627 4628 4629 4630 4631 4632 4633 4634 4635 4636 4637 4638 4639 4640 4641 4642 4643 4644 4645 4646 4647 4648 4649 4650 4651 4652 4653 4654 4655 4656 4657 4658 4659 4660 4661 4662 4663 4664 4665 4666 4667 4668 4669 4670 4671 4672 4673 4674 4675 4676 4677 4678 4679 4680 4681 4682 4683 4684 4685 4686 4687 4688 4689 4690 4691 4692 4693 4694 4695 4696 4697 4698 4699 4700 4701 4702 4703 4704 4705 4706 4707 4708 4709 4710 4711 4712 4713 4714 4715 4716 4717 4718 4719 4720 4721 4722 4723 4724 4725 4726 4727 4728 4

4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100  
 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150  
 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200  
 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250  
 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300  
 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350  
 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400  
 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450  
 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500  
 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550  
 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600  
 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650  
 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700  
 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750  
 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800  
 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850  
 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900  
 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950  
 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000


# Chopard

GENÈVE depuis 1838

[illegible][illegible]

*[The page contains extremely faint, illegible text, likely bleed-through from the reverse side.]*

*Chopard*  
GENÈVE  
*depuis 1860*



»HAPPY DIAMONDS® - Les Bijoux

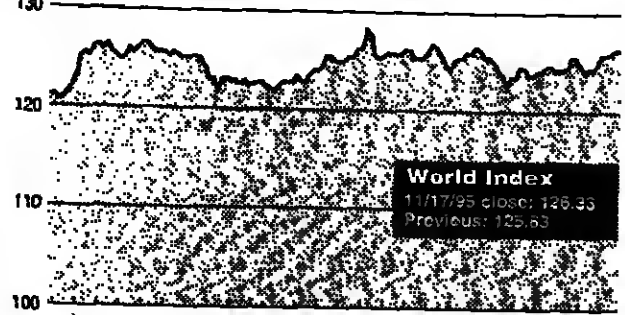
CHOPARD BOUTIQUES • GENÈVE • LONDON • PARIS • ROMA • WIEN • NEW YORK • DUBAI •  
HONG KONG • KUALA LUMPUR • SINGAPORE • TAIPEI • OSAKA • AND LEADING JEWELLERS WORLDWIDE

**Continued on Page 12**





**THE TRIB INDEX: 126.33**  
International Herald Tribune World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



**Asia/Pacific**  
Approx. weighting: 32%  
Close: 123.12 Prev: 121.76

**Europe**  
Approx. weighting: 37%  
Close: 135.12 Prev: 135.43

**North America**  
Approx. weighting: 28%  
Close: 126.02 Prev: 125.62

**Latin America**  
Approx. weighting: 5%  
Close: 84.98 Prev: 82.32

**World Index**  
The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and other major financial centers. It is composed of the 280 top issues in terms of market capitalization, otherwise the top 100 stocks are tracked.

**Industrial Sectors**

Sector	FT	Prev	% change
Energy	128.08	127.81	+0.24
Utilities	123.79	123.40	+0.32
Finance	118.16	118.76	+1.20
Services	116.48	116.17	+0.25
Capital Goods	131.86	132.56	-0.53
Raw Materials	139.67	139.20	+0.34
Consumer Goods	132.49	132.52	-0.02
Miscellaneous	133.10	132.77	+0.25

For more information about the index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

## Asia Pact Trades on Competition

By Michael Richardson  
International Herald Tribune

OSAKA, Japan — While Asian and Pacific leaders will endorse only a "voluntary" free-trade accord when they meet Sunday, fierce competition among their

### NEWS ANALYSIS

countries for investment and economic efficiency will put intense pressure on them to live up to its liberalization terms. Foreign and trade ministers from the 18 members of APEC, the Asia-Pacific Economic Cooperation forum, said Friday in a joint statement that the blueprint to be sent to the summit "reflected the voluntary commitment and the political determination of each member" to achieve free and open trade and investment no later than 2020 among developing countries and 2010 for developed economies. Officials said the word "voluntary" had been inserted at the last minute at the insistence of Malaysia but that it was not

a retreat from the free-trade declaration made a year ago by APEC leaders and ministers in Bogor, Indonesia.

In recent years, Malaysia, like many other countries in East Asia, has been opening its economy in a race with other countries in the region to attract investment and technology for more efficient production of goods, services and exports.

One Western official said Malaysia was better-equipped than most other APEC members to meet the targets.

"I don't think anybody, least of all the Malaysian government itself, doubts that it will be able to meet them," he said. "It's simply a matter of wanting to preserve a little bit of wiggle room."

Nonetheless, Malaysia's determination not to be bound to abolish all barriers to the flow of goods, services and capital reflects similar concerns among some other APEC members, including Japan, China, Taiwan and South Korea.

Those countries are wary of commitments to end protection of agriculture because of the political influence of their

farm lobbies.

To take account of concerns such as these and the diversity of APEC's member economies, the group — which includes large and small economies in North and South America as well as Asia — has agreed not to undertake a region-

Japan supports pact but refuses to say whether it includes rice. Page 19.

wide round of legally binding negotiations based on reciprocal concessions such as occurred among the United States, Canada and Mexico in the North American Free Trade Agreement.

Instead, each member will offer cuts in tariffs and nontariff barriers by the time of the next APEC summit in Manila in 1996, with the cuts to begin in 1997.

"The bottom line here is the need for arrangements to ensure that there is a broad and perceived equivalence," the foreign minister of Australia, Gareth Evans, said.

## Nightmarish Obstacles Could Face Group's Dream

Compiled by Our Staff From Dispatches

OSAKA, Japan — APEC's dream of a booming Pacific Rim unfettered by trade barriers risks becoming bogged down in bureaucracy, obfuscation and political rivalries, business advisers to the group said Friday.

Even as the 18 members of the Asia-Pacific Economic Cooperation forum set a voluntary course for economic liberalization within 25 years, business executives voiced misgivings over the obstacles ahead.

Within minutes of Friday's meeting, a

year-old conflict erupted in public as to what is exactly meant by a country's promise to APEC.

To the irritation of the United States, Mexico, New Zealand and Japan, Malaysia insisted that the ministers' final communiqué stress APEC's "voluntary" approach, a demand that shadowed the forum's summit in Indonesia a year earlier, diplomats said.

"They agreed that the draft reflected the voluntary commitment and the political determination of each member economy to achieve the objectives set by

the economic leaders at Bogor," a statement said.

Ipppei Yamazawa, an adviser to a private business executives' forum that advises APEC, the Pacific Economic Cooperation Council, said the financial crises in Mexico, which capital flooded swiftly and unbridled out of its newly liberalized financial markets, were haunting the fringes of a forum that encompasses half of the world's economic output.

The region's vast economic and political diversity also poses stubborn problems, advisers said. (Reuters, APX)

## Economists Warn French Reform Plan Could Stifle Growth

By Max Berley  
Special to the Herald Tribune

PARIS — After initial enthusiasm over the new French welfare reform package, some economists took a closer look at the plan and warned Friday that its heavy reliance on tax increases could dampen France's economic growth.

"Whatever the public presentation may have been, the plan is actually based on tax increases rather than spending cuts," said Julian Jessop, an economist at HSBC Markets in London.

Prime Minister Alain Juppé presented a long-awaited plan to reform the social-security system, which currently generates a

deficit of around 60 billion francs (\$12 billion) every year.

The plan includes a proposal to reduce the running social security deficit to 16.6 billion francs in 1996 and to generate a surplus of 11.8 billion francs in 1997. It also creates a new tax intended to erase an estimated 250 billion francs in debt accrued by the system since 1992.

"At face value, the 1996 deficit reduction package raised nearly 37 billion francs but contains less than 10 billion francs of tax increases," Mr. Jessop wrote in an analysis of the reform. He said that all but two of the measures described as "management reforms" in the plan were "tax increases by another name. A more accurate representation is therefore that 25 billion francs of

the 37 billion francs package relies on tax increases."

As a result, he has reduced his prediction for France's 1996 gross domestic product growth to 1.9 percent from 2.5 percent.

Economic growth is critical to the success of the reform plan. Finance Minister Jean Arthuis said Wednesday he counted on GDP growth of 2.8 percent in 1996 to help generate the additional tax revenue that would be needed.

The Bank of France even appeared to lend its support to the plan by cutting two key interest rates on Thursday.

But despite the cuts, Jean-François Mercier, an economist at Salomon Brothers in London, said he foresaw 1996 GDP growth at "no higher than 2.2 percent."

### ECONOMIC SCENE

## Supply-Siders Try an Encore

By Peter Passell  
New York Times Service

NEW YORK — Fiscal conservatism is in: Polls show that most Americans are willing to forgo tax cuts to balance the budget. But supply-side economics, the good-news gospel that equated low tax rates with increased tax revenues and rapid growth, is still alive and kicking too.

The economists delivering the latest variation on the theme, moreover, are hardly wild-eyed evangelicals. One is Martin S. Feldstein, a Harvard professor and former adviser to President Ronald Reagan who ironically was booted out of the White House by supply-side zealots. The other is Daniel R. Feenberg, a respected specialist on tax data.

Their study calculates that raising taxes on wealthy Americans in 1993 raised just one-third of the money that would have been expected if taxpayers had not changed their economic behavior.

Are they right? Deputy Treasury Secretary Lawrence H. Summers said their conclusions had "no basis whatsoever."

But the controversy is a reminder that the war over the efficacy of progressive taxation is far from over. The deficit-reduction package pushed through Congress in 1993 raised the top income tax bracket to 36 percent from 31 percent for families with taxable incomes between \$150,000 and \$250,000 and to 39.6 percent for those with incomes of more than \$250,000.

In addition, the ceiling on the Medicare payroll tax was eliminated, effectively raising

the marginal tax rate by 2.9 percentage points on incomes above \$135,000.

By contrast, the levy on incomes just below those levels did not change. Mr. Feldstein and Mr. Feenberg suggest that taxpayers at this level, therefore, could be regarded as "controls" in an experiment in the effect of higher rates on tax revenue.

If the gross income of the rich (here defined as those with adjusted gross incomes exceeding \$200,000) had marched in lockstep with that of the upper-middle class (\$50,000 to \$200,000), it would have grown by 2.9 percent. In fact, the taxable income of the \$200,000-plus group fell short of projections by \$31 billion.

That meant that, instead of collecting an extra \$16 billion in taxes from this group, Washington received just \$5 billion.

Higher tax rates also widened the gap between what the rich earned and what they kept, supposedly leading them to work less.

It is a plausible story, but is it true? One problem, government officials say, is that the estimate critically depends on the base year. If 1991 instead of 1992 is used for a comparison with 1993, there is no shortfall in expected income and thus in tax revenue.

Another is the possibility of tax-shifting. If high-income earners anticipated higher tax rates in 1993 after President Bill Clinton was elected in November 1992, they presumably would have tried to realize more income in 1992, and there is evidence that they did.

Mr. Feldstein's response is that no one else has an adequate explanation for the interruption in 1993 of the trend toward ever-increasing income concentration.

## Pechiney Sell-Off Cast in Doubt as Investors Turn Shy

Reuters

PARIS — France's sale of Pechiney SA may be in trouble, analysts said Friday, because investors are not rushing to reserve shares in the aluminum giant.

Some analysts wonder whether the sale may simply be canceled at the pre-marketing stage.

"I would not be surprised if by end-November the operation were cancelled," one said. But Finance Minister Jean Arthuis dismissed the idea, at least for the time being. "I have no plans to suspend the sale of Pechiney," he said.

The French government decided Monday to go ahead with the privatization of Pechiney despite recent weakness in the Paris stock market and suggested a price range for institutional investors of 187 to 215 francs (\$33.50 to \$44.28) a share.

The price represents a 15 percent discount from the pre-launch price of Pechiney certificates.

Placement of nonbinding orders began Tuesday, and some analysts said it had got off to a slow start. Investors have grown wary of French privatizations because shares in many privatized companies have performed poorly.

ADVERTISEMENT  
Play GERMAN LOTTO for your Chance to Win MILLIONS  
**US\$2.8 BILLION**  
(That's 3.9 Billion DM in Hard German Currency)

● LOTTO is the No. 1 Game in Germany, and one of the largest Lotteries in the world paying out nearly US\$3 Billion this year. It's controlled and administered by the Government of the Federal Republic of Germany.

● You now have a chance to win one of the MULTI-MILLION DOLLAR CASH PRIZES paid out every week in hard German Deutschmarks.

● You can live anywhere in the world to enter. You don't have to be a German citizen anymore to play German LOTTO.

● This year nearly US\$3 Billion Dollars (in German Deutschmarks) will be paid to those who pick out the winning numbers correctly in any one of the 3 Draws every week.

● With just a small investment you too can become an Instant Millionaire. All you have to do is select 6 NUMBERS correctly playing from One to Ten Games.

This year, at least 364 new people will become Instant Millionaires through winning GERMAN LOTTO. Many thousands of others will win prizes of 500,000 DM and more.

Introductory Offer to New Overseas Subscribers Outside Germany: **PLAY UP TO 5 WEEKS FREE!**

Play for 18 weeks and get an extra 2 weeks play **COMPLETELY FREE** for each GAME you play. Play for 36 weeks, and you get an extra 5 weeks **COMPLETELY FREE.**

Jackpots of US\$20 Million Extra

Remember, every week (on Wednesdays and Saturdays) a prize pool of over US\$7,000,000 is paid out in cash. If no one wins the First Prize, the full amount is carried forward to the next Draw so you get a chance to win as much as an extra US\$20,000,000 from the Jackpot payment.

When you tick the Automatic Renewal box below and charge your credit card, you'll be sure not to miss out on any large Draws or Jackpots.

How You Know When You've Won

When your Entry Form is received, you'll be rushed an ENTRY CONFIRMATION CERTIFICATE confirming the numbers you've selected, the number of GAMES you'll play, the period of your subscription and the date of your first Draw. Your numbers will be entered in 3 LOTTO DRAWS per week.

Hotline Tells You How You're Doing

Every 5 weeks you'll be sent a list of Winning numbers. (If you can't wait to know, ring the Hotline. You'll be sent.) You'll be notified when you win, and asked to state how you want your winnings paid and where. Every 5 weeks you'll receive a SUBSCRIPTION RESULTS STATEMENT showing exactly how you're doing.

Here's Exactly How to Play:

Take a pen and mark 6 numbers with a cross (X) out of 49 numbers on each GAME you wish to play. The GAMES are shown below on the ENTRY FORM, and you can play up to 10 GAMES at once. Tick one of the boxes at bottom left indicating the number of GAMES you want to play.

The more GAMES you play - the greater your chances of winning.

When the numbers you've selected match the winning numbers in any one Draw YOU BECOME AN INSTANT MILLIONAIRE.

If you have 3, 4 or 5 of the winning numbers correct, you win one of the thousands of other cash prizes.

Just complete the Entry Form below in full and return it to the International Subscription Processing Centre by fax or mail as follows:

OVERSEAS SUBSCRIBER AGENTS International Subscription Processing Centre, 1012 SE Amsterdam, Netherlands. For Fastest Entry: Fax (31) 20-6383171

MONEY BACK GUARANTEE: If for any reason you're not completely satisfied with the service, you're free to cancel your subscription at any time and receive a full refund on the unexpired portion.

### CURRENCY & INTEREST RATES

Cross Rates									
	1	2	3	4	5	6	7	8	9
Amsterdam	1.571	1.408	1.319	1.245	1.181	1.124	1.071	1.021	0.971
Brussels	2.6275	2.4075	2.265	2.145	2.045	1.955	1.875	1.795	1.715
Frankfurt	1.481	1.346	1.254	1.181	1.118	1.065	1.012	0.959	0.906
London (1)	1.555	1.408	1.319	1.245	1.181	1.124	1.071	1.021	0.971
Madrid	1.378	1.243	1.151	1.078	1.015	0.952	0.889	0.826	0.763
Mexico	1.5019	1.4078	1.3137	1.2196	1.1255	1.0314	0.9373	0.8432	0.7491
New York (1)	1.5008	1.4067	1.3126	1.2185	1.1244	1.0303	0.9362	0.8421	0.7480
Paris	1.481	1.346	1.254	1.181	1.118	1.065	1.012	0.959	0.906
Tokyo	1.555	1.408	1.319	1.245	1.181	1.124	1.071	1.021	0.971
Zurich	1.555	1.408	1.319	1.245	1.181	1.124	1.071	1.021	0.971
1 ECU	1.342	1.207	1.115	1.042	0.979	0.916	0.853	0.790	0.727
1 SDR	1.293	1.158	1.066	0.993	0.930	0.867	0.804	0.741	0.678

Source: Reuters, Bloomberg, Euromoney, City of London, Bank of Tokyo, Royal Bank of Canada (Toronto), ING Bank (Amsterdam), Interbank Bank (Brussels), Banca Commerciale Italiana (Milan), Societe Generale (Paris), Credit Lyonnais (Lyon), Credit Suisse (Zurich), Deutsche Bank (Frankfurt), Citicorp (New York), Citibank (London), Citibank (Tokyo), Citibank (Madrid), Citibank (Mexico), Citibank (Paris), Citibank (Zurich), Citibank (ECU), Citibank (SDR).

1. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

2. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

3. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

4. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

5. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

6. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

7. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

8. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

9. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

10. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

11. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

12. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

13. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

14. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

15. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

16. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

17. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

18. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

19. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

20. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

21. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

22. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

23. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

24. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

25. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

26. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

27. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

28. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

29. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

30. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

31. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

32. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

33. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

34. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

35. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

36. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

37. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

38. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

39. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

40. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

41. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

42. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

43. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

44. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

45. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

46. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

47. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

48. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

49. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

50. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

51. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

52. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

53. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

54. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

55. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

56. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

57. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

58. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

59. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

60. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

61. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

62. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

63. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

64. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

65. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

66. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

67. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

68. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

69. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

70. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

71. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

72. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

73. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

74. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

75. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

76. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

77. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

78. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

79. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

80. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

81. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

82. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

83. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

84. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

85. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

86. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

87. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

88. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

89. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

90. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

91. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

92. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

93. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

94. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

95. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

96. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

97. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

98. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

99. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

100. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

101. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

102. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

103. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

104. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

105. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

106. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

107. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

108. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

109. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

110. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

111. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

112. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

113. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

114. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

115. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

116. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

117. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

118. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

119. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

120. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

121. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

122. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

123. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

124. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

125. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

126. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

127. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

128. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

129. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

130. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

131. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

132. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

133. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

134. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

135. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

136. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

137. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

138. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

139. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

140. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

141. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

142. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

143. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

144. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

145. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

146. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

147. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

148. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

149. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

150. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

151. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

152. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

153. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

154. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

155. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

156. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

157. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

158. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

159. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

160. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

161. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

162. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

163. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

164. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

165. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

166. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

167. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

168. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

169. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

170. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

171. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

172. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

173. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

174. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

175. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

176. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

177. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

178. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

179. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

180. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

181. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

182. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

183. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

184. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

185. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

186. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

187. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

188. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

189. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

190. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

191. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

192. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

193. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

194. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

195. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

196. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

197. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

198. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

199. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

200. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

201. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

202. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

203. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

204. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

205. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

206. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

207. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

208. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

209. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

210. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

211. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

212. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

213. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

214. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

215. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

216. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

217. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

218. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

219. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

220. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

221. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

222. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

223. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

224. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

225. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

226. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

227. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

228. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

229. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

230. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

231. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

232. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

233. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

234. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

235. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

236. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

237. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

238. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

239. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

240. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

241. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

242. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

243. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

244. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

245. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

246. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

247. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

248. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

249. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

250. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

251. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

252. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

253. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

254. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

255. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

256. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

257. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

258. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

259. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

260. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

261. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

262. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

263. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

264. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

265. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

266. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

267. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

268. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

269. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

270. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

271. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

272. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

273. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

274. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

275. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

276. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

277. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

278. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

279. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

280. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

281. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

282. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

283. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

284. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

285. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

286. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

287. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

288. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

289. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

290. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

291. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

292. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

293. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

294. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

295. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

296. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

297. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

298. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

299. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

300. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

301. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

302. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

303. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

304. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

305. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

306. To buy one pound = To buy one dollar = Units of 100 N.G. not quoted; N.G. not available.

307. To buy one pound = To buy one dollar = Units of 100 N







# Van Miert Says EU Will Clear SAS and Lufthansa's Pact

## KLM Ready to Fly Northwest Despite New Poison Pill

against the plan because it could compel KLM to sell 5 percent of that increased stake in 1998. (Bloomberg, AP)

the issue of granting additional slots to other carriers. Still, he said, the commission would give the green light for an alliance as early as next month. (Bloomberg, AFX)

By Nathaniel C. Nash  
New York Times Service

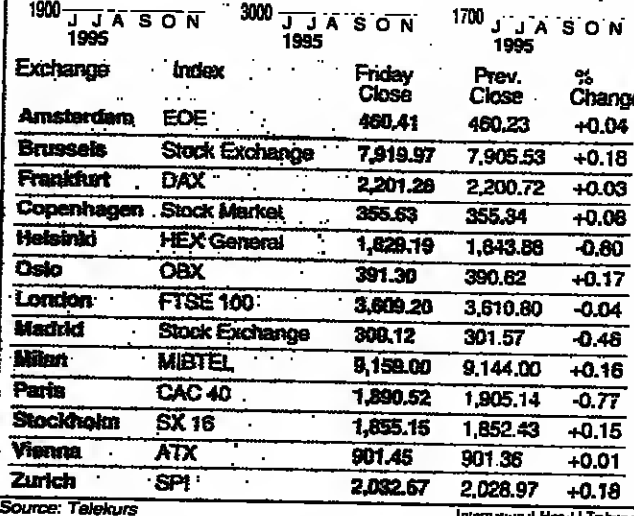
# Daimler Worker

## Set Talks to S

## Bloomberg Business News

## Five Jobs

There has been absolutely no change in the restructuring plan," he said, adding that the new positions could be filled by moving people within Daimler-



**Swiss Bank Corp.** will decide by early next year whether and how to expand its operations in the United States. The bank said it was interested in building a wider U.S. distribution network for instruments such as equities and derivatives.

**BONN** *Reuters*  
**Workers**

## U.S. STOCK MARKET DIA

**RY**

## INTERNATION

**Friday's 4 p.m. Close** | **Stock**

The top 500 most-active shares, up to the closing on Wall Street.				The Associated Press			
Sales				High	Low	Latest	Change
1	IBM	118	8 1/4	8 1/4	8 1/4	8 1/4	+ 1/4
2	AT&T	117	27 1/2	27 1/2	27 1/2	27 1/2	+ 1/4
3	General Electric	116	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
4	Westinghouse	115	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
5	Johnson & Johnson	114	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
6	Boeing	113	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
7	McDonald's	112	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
8	Walt Disney	111	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
9	United Technologies	110	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
10	Eastman Kodak	109	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
11	3M	108	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
12	Amgen	107	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
13	United Therapeutics	106	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
14	Boeing	105	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
15	Boeing	104	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
16	Boeing	103	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
17	Boeing	102	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
18	Boeing	101	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
19	Boeing	100	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
20	Boeing	99	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
21	Boeing	98	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
22	Boeing	97	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
23	Boeing	96	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
24	Boeing	95	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
25	Boeing	94	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
26	Boeing	93	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
27	Boeing	92	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
28	Boeing	91	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
29	Boeing	90	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
30	Boeing	89	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
31	Boeing	88	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
32	Boeing	87	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
33	Boeing	86	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
34	Boeing	85	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
35	Boeing	84	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
36	Boeing	83	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
37	Boeing	82	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
38	Boeing	81	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
39	Boeing	80	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
40	Boeing	79	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
41	Boeing	78	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
42	Boeing	77	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
43	Boeing	76	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
44	Boeing	75	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
45	Boeing	74	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
46	Boeing	73	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
47	Boeing	72	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
48	Boeing	71	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
49	Boeing	70	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4
50	Boeing	69	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4

### Most Active

[illegible]

---

[illegible]



**Friday's 4 p.m.**  
The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.  
*The Associated Press.*

C-2		C-3		C-4		C-5		C-6		C-7		C-8		C-9		C-10		C-11		C-12		C-13		C-14		C-15		C-16		C-17		C-18		C-19		C-20		C-21		C-22		C-23		C-24		C-25		C-26		C-27		C-28		C-29		C-30		C-31		C-32		C-33		C-34		C-35		C-36		C-37		C-38		C-39		C-40		C-41		C-42		C-43		C-44		C-45		C-46		C-47		C-48		C-49		C-50		C-51		C-52		C-53		C-54		C-55		C-56		C-57		C-58		C-59		C-60		C-61		C-62		C-63		C-64		C-65		C-66		C-67		C-68		C-69		C-70		C-71		C-72		C-73		C-74		C-75		C-76		C-77		C-78		C-79		C-80		C-81		C-82		C-83		C-84		C-85		C-86		C-87		C-88		C-89		C-90		C-91		C-92		C-93		C-94		C-95		C-96		C-97		C-98		C-99		C-100	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100																																																																																																		

**Friday's 4 p.m. Close**  
(Continued)

[illegible]

D-E-F	
117	Decker, John
118	Decker, John
119	Decker, John
120	Decker, John
121	Decker, John
122	Decker, John
123	Decker, John
124	Decker, John
125	Decker, John
126	Decker, John
127	Decker, John
128	Decker, John
129	Decker, John
130	Decker, John
131	Decker, John
132	Decker, John
133	Decker, John
134	Decker, John
135	Decker, John
136	Decker, John
137	Decker, John
138	Decker, John
139	Decker, John
140	Decker, John
141	Decker, John
142	Decker, John
143	Decker, John
144	Decker, John
145	Decker, John
146	Decker, John
147	Decker, John
148	Decker, John
149	Decker, John
150	Decker, John
151	Decker, John
152	Decker, John
153	Decker, John
154	Decker, John
155	Decker, John
156	Decker, John
157	Decker, John
158	Decker, John
159	Decker, John
160	Decker, John
161	Decker, John
162	Decker, John
163	Decker, John
164	Decker, John
165	Decker, John
166	Decker, John
167	Decker, John
168	Decker, John
169	Decker, John
170	Decker, John
171	Decker, John
172	Decker, John
173	Decker, John
174	Decker, John
175	Decker, John
176	Decker, John
177	Decker, John
178	Decker, John
179	Decker, John
180	Decker, John
181	Decker, John
182	Decker, John
183	Decker, John
184	Decker, John
185	Decker, John
186	Decker, John
187	Decker, John
188	Decker, John
189	Decker, John
190	Decker, John
191	Decker, John
192	Decker, John
193	Decker, John
194	Decker, John
195	Decker, John
196	Decker, John
197	Decker, John
198	Decker, John
199	Decker, John
200	Decker, John

[illegible][illegible][illegible][illegible][illegible][illegible][illegible][illegible][illegible]



## ASIA/PACIFIC

# Japan Won't Say Whether Trade Pact Includes Rice

Bloomberg Business News

OSAKA — U.S. Trade Representative Mickey Kantor said Friday that Japan had agreed to liberalize its agricultural markets by 2010 as part of the Asia-Pacific Economic Cooperation forum's open-trade agreement.

Bui while Mr. Kantor said APEC ministers had reached "unanimous agreement" on the plan's principles and dates, Japanese officials refused to clarify whether they and other members would fully open their rice markets, a politically explosive issue.

"All areas, including agriculture, are going to be covered" in an initiative to liberalize trade in the Pacific region by 2020, Mr. Kantor said.

The plan, to which APEC ministers agreed Thursday, calls for industrialized economies to open their markets by 2010 and for developing economies to do so by 2020. The process of opening markets is to begin Jan. 1, 1997.

The ministers' draft of the plan, to be announced by APEC leaders Sunday, contains 135 specific steps in 15 fields of trade, Mr. Kantor said.

Mr. Kantor also said Washington's accord with Tokyo on expanding access to the Japanese semiconductor market "must be renewed."

The United States says the accord, which was introduced in 1991 and expires in July 1996, commits Japan to buying at least 20 percent of its semiconductor from foreign manufacturers. Japanese officials

deny that they agreed on any specific market share and say the chip accord has outlived its usefulness.

Mr. Kantor also said he expected "contentious" talks on over trade in photographic film between America and Japan. Japanese officials have rebuffed U.S. requests for formal negotiations on the issue.

The United States has begun an investigation of Eastman Kodak Co.'s complaint that Fuji Photo Film Co. has conspired to limit the American company's share of the Japanese film market. Fuji has denied the charge and accused Kodak of engaging in unfair practices in the American market.

**China's Imports Leap**  
China's imports of agricultural products from the United States soared 279 percent in the first eight months of the year, Bloomberg Business News reported in a dispatch from Beijing citing U.S. Commerce Department figures.

From January to August, the United States exported \$1.93 billion of agricultural goods to China, compared with \$693 million a year earlier.

Exports to China of grains and feeds, including wheat, corn and processed livestock feed, jumped to \$809.3 million from \$116.5 million, according to the U.S. data. Raw and refined soybean oil registered an even sharper increase, rising from \$11.5 million to \$300 million, and raw cotton exports rose 34 percent, to \$654.3 million.

## Central Banks Take on the Market

### Four Asian Countries Pledge Mutual Currency Support

Bloomberg Business News

HONG KONG — Four Asian central banks plan to band together to try to do what some of the world's richest countries cannot: control their currencies.

Less than a year after the devaluation of the Mexican peso cast a shadow over some Asian currencies as well, central bankers from Hong Kong, Thailand, Indonesia and Malaysia have pledged to sign an agreement Monday designed to help them shore up their exchange rates if their currencies begin to weaken.

"If there are measures you can take to safeguard the currency, why not take them?" said a Hong Kong government official. "It's common sense."

Traders, bankers and fund managers aren't so sure, however. Many doubt that these central banks — or any others — can manage their exchange rates when more than \$1 trillion is traded daily in the foreign-exchange market. Buying or selling by any single country, they say, amounts to a drop in the bucket.

To some, the new alliance smacks of bravado that may only invite speculation that these central bankers see trouble ahead. "Anyone who wants to take on these currencies isn't going to be put off," said Andrew Hunt, chief economist at Thomson Management (Asia) Ltd.

Under the agreement, the central banks effectively will be able to borrow U.S. dollars from each other by pledging securities as collateral. Each could then use those dollars to buy its own currency in the market, should it lose value.

The alliance is the fruit of an emergency meeting held in January at the request of Joseph Yam, the chief executive of the Hong Kong Monetary Authority. That meeting came as the Hong Kong, Thai and Indonesian currencies were slumping amid concern they might fall victim to Mexico-style devaluations.

Some of the central banks raised interest rates to help fend off currency traders. Since then, the four countries have

been comparing notes on who might be speculating against their currencies. That sort of information-sharing is a big part of the new alliance.

Still, devaluations of currencies in Europe and elsewhere — Britain, Italy and Spain have all been humbled by the markets — have taught investors and central bankers alike that trying to strong-arm exchange rates can be futile. Even the Group of Seven leading industrialized nations has often had trouble trying to manage the world's benchmark currency, the U.S. dollar.

Some of the central bankers concede that the support they are giving one another is as much moral as financial.

"This idea is something similar to G-7 or other regional groups that come together for mutual benefit," said an assistant governor of the Bank of Thailand. "This will be a psychological defense as well as an actual defense."

It remains to be seen whether central bankers can reassure investors who fear that renewed weakness in the Mexican peso could affect the world's emerging markets. The Mexican currency's drop of about 10 percent against the dollar this month has already caused considerable fallout in some Asian financial markets.

In Indonesia, stocks fell this week amid concern that speculators were about to target the rupiah. The Indonesian currency has dropped 3.8 percent against the dollar this year. On Friday, the Philippine central bank raised rates to defend that country's currency, also called the peso.

"Investors get jittery with the Mexican peso all over the place," said Al Al-Busharif, an emerging-markets specialist with Bank of Montreal in Chicago. That means now is a good time for the Asian central banks to make a show of strength, he said.

But others aren't so sure. Reports that the central banks are taking action may only raise more questions in investors' minds, causing the whole exercise to back-

fire. "The very fact that they're looking to do it now could cause one or two speculators to say maybe they're expecting something to go wrong down the road," said Callum Henderson, a senior currency strategist at MMS International in New York.

At the Hong Kong Monetary Authority, that kind of talk is played down. "The history of the Hong Kong dollar is stable, and we think the track record speaks for itself," said Osbert Lam, a spokesman.

In Thailand or Malaysia, some analysts say, central bankers may trumpet the move as a sign that these countries, plagued by chronic inflation and current-account deficits, are prepared to defend their currencies.

Thailand, which spent \$400 million in two days to prop up its currency in January, has just \$36 million in foreign-exchange reserves left. The Thai baht, which is linked to a basket of currencies in which the U.S. dollar is heavily weighted, has dropped just 0.2 percent against the American currency this year.

"One of the reasons we can gather support from our neighbors is they know we are not living beyond our means," a Bank of Thailand official said. Although Thailand has a current-account deficit equal to 6 percent of its gross domestic product, the government has run a budget surplus for eight consecutive years.

Hong Kong, of course, has its own problems. The British territory, which has \$58 billion set aside to protect the Hong Kong dollar's link to the U.S. dollar, faces the uncertainty of its return to Chinese rule in less than two years.

Even though the territory holds the world's seventh-largest foreign exchange reserves, some people are concerned that the fixed rate of about 7.75 Hong Kong dollars to the U.S. dollar will one day come under attack. The Hong Kong government, which created the link in 1983, has said repeatedly that it will stay.

## Investor's Asia

Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225
10000	2300	20000
9500	2200	18000
9000	2100	16000
8500	2000	14000
8000	1900	12000
7500	1800	10000
7000	1700	8000
6500	1600	6000
6000	1500	4000
5500	1400	2000
5000	1300	1000
4500	1200	500
4000	1100	200
3500	1000	100
3000	900	50
2500	800	20
2000	700	10
1500	600	5
1000	500	2
500	400	1
0	300	0

Source: Reuters International Herald Tribune

## Very briefly:

- Malaysian Airline System Bhd.'s first-half net profit rose 5 percent, to 154.2 million ringgit (\$60.9 million), and the airline cited increased efficiency. The result included an extraordinary gain from an insurance claim on a Fokker 50 plane that crashed in September. Excluding the gain, profit rose to 139.5 million ringgit. The airline also plans to incorporate its engineering and cargo divisions into subsidiaries.
- Kenwood Corp. of Japan blamed stagnating economies for its 3.92 billion yen (\$38.5 million) pretax loss in the six months to September after a 1.17 billion yen profit a year earlier. Revenue at the audio equipment maker fell 5 percent, to 101.26 billion yen.
- Wako Research Institute said parent-company pretax profit of 502 Japanese companies listed on the Tokyo Stock Exchange rose an average of 23.7 percent in the six months to September with the paper and pulp industry reporting the largest year-on-year rises while real-estate companies posted the worst results.
- Kyocera Corp. plans to set up a joint venture in electronic part with Shanghai Instrumentation & Electronics Holding Group in December aimed at meeting increasing demand in China and other parts of Asia.
- Industrial and Commercial Bank of China extended 6.1 billion yuan (\$760 million) of emergency loans to 340 cash-strapped enterprises in the past month, after the government tightened its credit policy, Xinhua news agency reported.
- China appealed for increased foreign cooperation and investment in its offshore oil and gas sector, saying vast mineral reserves were going untapped.
- The Philippines' National Statistics Office said neither the Philippine president nor any cabinet officials had pressured the agency to change inflation numbers. Officials from the opposition accused the government of manipulating the data to create a better picture of the economy after the release Thursday of revised inflation figures.
- Daewoo Group of South Korea and Vietnamese Steel Corp. plan to build a joint-venture \$1.3 billion steel mill in Vietnam to supply Asian markets.

AP, AFP, AFX, Bloomberg, Reuters

## Pioneer Sinks Deeper

Bloomberg Business News

TOKYO — Pioneer Electronic Corp. disclosed Friday it fell deeper into deficit in the three months ended Sept. 30 as sales slumped worldwide, product prices fell and the strong Japanese yen hit revenue from exports.

The maker of audio and video products reported a net loss on its worldwide operations of 2.44 billion yen (\$23.9 million) for the period. It had a net loss of 1.02 billion yen in the like period last year.

Strong sales of automotive audio products were not enough to offset falling audio and video sales and the effects of the strong yen, said the company's senior managing director and chief financial officer, Masaki Sono. "We will definitely be back in the black in the next fiscal year," Mr. Sono said.

## Despite 1st-Half Slide, Honda Raises Forecast

Compiled by Our Staff From Dispatches

TOKYO — Honda Motor Co. said Friday its global profit dropped by more than one-third in the first half as falling sales overseas and a higher yen outweighed surging sales in Japan.

But the carmaker raised its full-year earnings forecast, citing the successful launch of new models in the domestic market and a decline in the Japanese currency in recent months.

Honda said its consolidated net income fell 36.4 percent, to 24.2 billion yen (\$237 million), in the six months ended Sept. 30. Sales fell 1.8 percent, to 1.955 billion yen. Second-quarter net income fell 17.6 per-

cent, to 12.2 billion yen, as sales fell 0.8 percent, to 1.01 trillion yen.

But Honda forecast that earnings for the full year to March 31 would rise 5.6 percent, to 65 billion yen, compared with its original forecast that profit would fall to 45 billion yen.

Some analysts were even more sanguine. "Honda's group net profit is likely to be 75 billion yen in 1995/96, mainly because of strong demand for Civic models in North America," said Noriyuki Matsushima, a senior analyst at Nikko Research Center.

In the previous financial year, Honda's earnings included a one-time gain from the

sale of its stake in Britain's Rover Group PLC. The carmaker said business was improving enough for it to forecast that its net profit would exceed last year's results, even including the extraordinary gain.

In Japan, Honda's sales have been buoyed by strong demand for its newer models, such as the Odyssey minivan and the new Civic. The CR-V sports-utility vehicle, unveiled in October, also appears to be a hit. Honda's Japanese sales rose 8 percent in the first half, to 299,000 vehicles.

The company's stock rose 40 yen to close at 1,870. The carmaker announced its results after trading ended.

(Bloomberg, Reuters)

## TNT Agrees to Sell Ansett Stake to ANZ

Compiled by Our Staff From Dispatches

SYDNEY — In a move that could have significant impact on air transport in the South Pacific, TNT Ltd. agreed Friday to sell half or all its 50 percent stake in Ansett Airways to Air New Zealand.

The two-stage transaction, valued at 425 million Australian dollars (\$313.8 million), is contingent on the granting of a waiver of the Australian law that limits foreign stakes in Australian airlines to 49.9 percent.

The accord also must be approved by New Zealand anti-trust authorities because both Air New Zealand and Ansett, through its Ansett New Zealand subsidiary, operate domestic services in New Zealand.

Under the agreement, TNT will sell Air New Zealand 25 percent of Ansett for 200 million dollars. Air New Zealand will then have an option to buy TNT's remaining 25 percent stake, valued at 225 million dollars, until Feb. 15, 1998.

If Air New Zealand does not take up the option, TNT can buy back the first 25 percent stake. The agreement also requires Air New Zealand to provide as much as 50 million dollars toward TNT's share of any new capital to be injected into Ansett and for TNT to support the establishment of a commercial alliance between Air New Zealand and Ansett.

The agreement marks the end of a year of off-and-on efforts by Air New Zealand to gain a stake in Ansett and with it a foothold in the Australian domestic-travel market.

Ansett is owned equally by TNT, an Australian transportation company, and News Corp., the global media concern controlled by Rupert Murdoch. Air New Zealand's acquisition talks with News Corp. this year were unsuccessful.

Once a lucrative source of revenue for TNT and News Corp., Ansett has become a drag on earnings as aggressive competition from Qantas Airways has hurt profit in the domestic market.

Ansett's net profit fell two-thirds in the year ended June 30, to 51.5 million Australian dollars, and the airline said recently it would post a loss for the current financial year.

In Wellington, the chief ex-

Save up to  
**69% on**  
International  
Calls

**CALL NOW!**  
Digital Clarity  
Six Second Billing  
Faster Call Backs  
No Carrier Change-over  
24 Hr Customer Service

**PRIMECALL**  
Your International Telephone Service  
Tel: 1-206-328-0123  
Fax: 1-206-328-7580  
Email: primecall@comcast.net  
Hong Kong • Kuala Lumpur • Tokyo •  
New York • Seattle

## CURRENCY AND CAPITAL MARKET SERVICES

### TRADE NASDAQ STOCKS FOR \$35 COMMISSION.

JB OXFORD & CO., established 1983 is a leading discount broker handling in excess of 10,000 trades per day. Through our Representative Offices in Switzerland investors can now buy or sell NASDAQ stocks for \$35 commission. Call for further details.

**TELEPHONE**  
(41) 61 279 8870

### IFEXCO S.A. FOREX BROKERS THE RELIABLE PARTNER

GENERAL: 41 22/849 74 11  
24/24 DEALERS: 41 22/849 74 65  
FAX: 41 22/700 19 13

SEE NBC Superchannel Text Pages 355 and 356

THE BEST SERVICE 24 HOURS A DAY

International Foreign Exchange Corporation S.A.

86 Bis Route de Frontenex  
1208 GENEVA - Switzerland

YOU ARE CONCERNED BY  
CURRENCIES, COMMODITIES, STOCK INDEXES  
AND BONDS FLUCTUATIONS  
YOU ARE LOOKING FOR  
A PROFESSIONAL ADVISOR  
AND/OR A PORTFOLIO MANAGER

WE OFFER YOU  
OUR MARKET ANALYSIS SERVICES  
(FOR 300 US DOLLARS A YEAR)  
AND/OR OUR PORTFOLIO MANAGEMENT SERVICES  
(50,000 US DOLLARS MINIMUM INVESTMENT)

ASK DOCUMENTATION FREE OF CHARGE  
IN FRENCH AND/OR IN ENGLISH TO:

GOLD HILL SERVICES SA  
PORTFOLIO MANAGERS AND BROKERS SINCE 1982  
MEMBER OF THE NEW YORK FUTURES EXCHANGE

RUE DE BOURG 6, 1003 LAUSANNE, SWITZERLAND  
TEL (41 21) 320 58 31/FAX (41 21) 320 58 35

THIS ANNOUNCEMENT IS NOT AN OFFER TO SELL  
OR A SOLICITATION OR AN OFFER TO BUY SECURITIES  
OR COMMODITIES. THE OFFER IS MADE ONLY BY OUR PROSPECTUS.

**ZFX LIMITED (UK)**  
FOREIGN EXCHANGE TRADING & SPECULATION  
MINIMUM ONLY \$5000  
MARGIN FROM 1% GUARANTEED STOP-LOSSES  
NO MARGIN CALLS \$25 ROUND-TURN  
ZERO COMMISSION/COSTS ON DISCRETIONARY  
Tel: (44) 181 476-5001 (24 hrs) Fax: (44) 181 476-5005  
E-Mail: Grant@Mosaic.Demon.co.uk

### ARE YOU SATISFIED WITH YOUR GLOBAL INVESTMENT RETURNS?

The International Currency Market (FOREX) is the largest and most liquid marketplace in the world. Call today and receive our free report, performance records, and demo disks. We will show you how to put this dynamic marketplace to work directly for you.

To receive your free report and demo disks, call toll-free:

Netherlands 06-422-0657 Switzerland 155-7233  
France 0590-2246 U.K. 0800-96-4632  
Germany 0130-82-9666 Belgium 0800-1-5880  
Denmark 8001-6132 Greece 00-800-11-921-3013  
Luxembourg 0800-4352 E-mail: itm@gramercy.ios.com  
Toll free N. America +1-714-376-8025 (fax) +1-714-376-8020 (voice)

**PETER CATRANIS SENIOR TRADER**

Mr. Catranis is an 18 year veteran currency trader. He is Chairman of the International Association of Market Technicians. He has researched hundreds of trading methods and authored numerous publications and software programs. Currently he is accepting a limited number of new accounts, minimums \$15,000 to \$5,000,000. FOREX CAPITAL MANAGEMENT. Excellence in confidential trading services.

### HERALD SECURITIES AG Your Futures & Options Trading Partner

A comprehensive service to IB's and Private Clients; major market coverage, competitive commissions, market news, information and charting. Extensive back office facilities.

Chamersstrasse 14, P.O. Box 4818, CH-4304 Zug, Switzerland  
Tel: +41 42 22 36 78 Fax: +41 42 22 37 00

### MANAGED FUTURES INTERNATIONAL An Industry Publication For Serious Investors

For Your FREE COPY Call Or Fax:

Rosenthal Collins Fox Asset Management Group  
Specialists in Managed Accounts and Pools  
Trading Manager Expertise  
Member of All Principal US Futures Exchanges

Tel (US) 001-312-341-7819  
Fax (US) 001-312-341-7599

A Division of Rosenthal Collins Group, L.P. - Chicago, Illinois

### SURGE TRADING S.A. FOREX & FUTURES BROKERS

**THE SWISS DIFFERENCE**

21-23 Rue du Clos, CH-1211 GENEVA 6  
Tel: (41) 22-7002051 Fax: (41) 22-7002061  
24/24 HOURS DESK - SEE CNTEXT PAGE 695

For further details  
on how to place your listing contact:  
**WILL NICHOLSON in London**  
Tel: (44) 171 836 48 02  
Fax: (44) 171 204 2254  
Herald Tribune  
© 1995 WILL NICHOLSON

### GARTMORE INDOSUEZ FUNDS Fonds commun de placement 39, Allée Scheffer, L-2520 Luxembourg

#### NOTICE FOR PUBLICATION IN THE PRESS

Unitholders are informed of the following changes to become effective on 18th December, 1995:

1. Change of name

The Management Company and Custodian of Gartmore Indosuez Funds have agreed to change the name of the Fund to Gartmore Indosuez Funds. Further the Management Company has changed its name from Gartmore Indosuez Funds Management Company to Gartmore Indosuez Funds Management Company.

Holders of bearer units are invited to send from 18th December 1995 to transfer to Banque Indosuez Luxembourg S.A., 39 Allée Scheffer, L-2520 Luxembourg, their original certificates to be stamped or exchanged against new certificates.

As from 18th January 1996 the current certificates or those not so stamped will be no longer of good delivery at the Luxembourg stock exchange.

2. Widenage of Investment Policies and Techniques

To improve the way certain Portfolios are managed, the following changes will be made:

(i) The Equity Portfolio generally may also make investments in specialised closed-end investment funds where up to 25% of a Portfolio's net assets may be invested, subject to the Fund's investment restrictions. Such investment may result in a duplication of fees and expenses, except in the case of funds promoted and managed by the promoter of the Fund where any subscription charges will be waived. In the case of investment in closed-end investment funds which are not subject to the investment policy of the Fund, the Fund's investment policy will be applied to the investment in such funds.

(ii) The investment policy of the Developing Markets Portfolio will be widened to allow for investment in debt securities of companies listed on the larger Eligible Markets of the world which derive a significant proportion of their profits from emerging economies and debt securities of the governments of emerging markets.

(iii) In order to enable the Reserve Portfolio to benefit from the reduced Luxembourg tax of 0.03 per cent per annum of their net asset value, the investment policies of the Dollar Reserve Portfolio, the French Franc Reserve Portfolio, the Deutsche Mark Reserve Portfolio and the Yen Reserve Portfolio have been amended so as to provide that the Reserve Portfolios exclusively invest in negotiable debt instruments expressed in their relevant currencies of denomination, being US Dollars, French Francs, Deutsche Marks and Yen respectively or expressed in other currencies fully hedged into the relevant currencies of denomination of the Portfolios and which are either debt instruments having, at the time of their acquisition, an initial or residual maturity of not in excess of 12 months; or debt instruments having a remaining maturity of more than 12 months, but in respect of which the Portfolio will not have an exposure of more than 12 months because of financial instruments entered into in connection with such securities; or floating rate securities provided their interest rate is adapted to market conditions at least once a year.

(iv) The Fund's authorised investment techniques and the use of certain instruments to this effect have been expanded so as to allow for investment in repurchase agreements, reverse repurchase agreements and other similar instruments.

3. Addition of further investment restrictions

To comply with investment restrictions required by the Securities and Futures Commission in Hong Kong, in order to register the Fund there, the Fund may not acquire for the account of any Portfolio any option in respect of securities or any warrants, if as a result thereof the value of all underlying securities in respect of which the Portfolio holds options or warrants that are not held for hedging purposes would exceed 15% of the Net Asset Value of the Portfolio.

4. Change of conversion charge

To compensate for increasing costs in administering the Fund, the Management Company will, as from the 18th December, 1995, impose a conversion charge on every conversion between Portfolios, of up to 0.50% of the value of the Units being converted.

5. Change of Investment Adviser

As from 18th December 1995 Indosuez Asset Management S.A. of 44 rue de Courcelles, 75008 Paris will act as Investment Adviser to the French Portfolio and the German Portfolio in replacement of Gartmore Investment Limited.

6. Management efficiency

To reduce operational and administrative charges while allowing a wider diversification of investment, the Management Company may decide that part or all the assets of any Portfolio will be co-managed with assets belonging to other Luxembourg collective investment schemes. Unitholders who cannot agree with the above changes may redeem at no cost.

A revised prospectus to be dated December 1995 may on request be obtained from Banque Indosuez Luxembourg S.A.



## November 17, 1995

[illegible]

**TO OUR**  
**READERS**  
**IN**  
**BELGIUM**

It's never  
been easier  
to subscribe  
and save.  
Just call  
toll-free:  
**0 800 1 7538**

THE WORLD'S DAILY NEWS

هكذا مني الاصل



# THE MONEY REPORT

## FIRST COLUMN

### The Land That Time Forgot

If in doubt, ask an insurer: Size is everything. In other parts of the financial world it isn't how big your bottom line is, but what you do with it that counts. In this respect insurance seems to be the Land That Time Forgot, a bastion of unconstructed, old-fashioned financial machismo.

Shareholder rights, for example, are an alien concept to many insurance companies. The industries in the United States and Britain may have moved, somewhat begrudgingly, along the path toward taking account of company members' wishes and their desire for a good financial return. But in many cases the antiquated notion still prevails that the company knows best.

Yet if shareholders have a tough time, it is a picnic in the woods compared to what policyholders are put through. Policyholders often find themselves dealing with gigantic institutions that between them count for a huge chunk of the market in a given product. The result can be a culture of complacency, where one leviathan does not worry about the prices offered by those operating in the same field — institutions that would normally be known as "the competition."

The expatriate seeking insurance is perhaps worst served of all. Problems of language and culture are typically most acute when individuals first arrive in a country — just when insurance cover must be arranged and shopping around is most difficult.

Once more, competition among the few international insurers — or, rather, lack of it — is to blame. If you expect to move from Berlin to Hong Kong some time next year, you will probably be reluctant to buy locally. The alternative — an internationally portable product — may well have a price that helps explain how these insurers got so big.

M.B.

## Forecast for Insurance Stocks: High Pressure to Cut Costs

By Judith Rehak

**H**OMEOWNERS who take out fire, flood and earthquake insurance for their residences, or drivers who buy collision insurance for their cars, are protecting themselves and their investments.

But what about investing in property-casualty insurers, the companies that sell these policies?

At the outset of this year, their prospects in the United States looked decidedly bleak. The property-casualty insurance industry was still reeling from 1994, when catastrophes like the Northridge, California earthquake racked up losses of \$10.4 billion, and winter storms and floods tacked on another \$5 billion, making it the second costliest year ever.

To make matters worse, rapidly rising interest rates throughout the year battered the U.S. fixed income markets, where insurance companies invest the bulk of their reserves, making inroads into their value.

"Most property-casualty stocks got creamed," said Gloria Vogel, senior insurance analyst at Ladenberg, Thalmann & Co., a New York brokerage.

But as the end of 1995 approaches, the scenario is markedly changed. Interest rates finally started back down in February and continued falling, causing the value of insurers' investments to rebound.

And even Mother Nature has been more cooperative. Though there were an unusually large number of "name" storms this year, most of them didn't hit the U.S. mainland. "The industry was lucky because only hurricane Opal did and that will cost \$2 billion," said Ms. Vogel. "But even so, this year's losses haven't been too bad."

Indeed, a survey of 23 major property-casualty insurers by Business Insurance, a trade publication, showed a 20.4 percent improvement in net income for the first half of this year over the same period in 1994, when claims were flooding in from the Northridge earthquake.

One thing you hear a lot less of these days, however, is how costly natural disasters will finally jump-start the sagging prices of insurance premiums. The traditional market cycle of three up, then three down years has seen the downside stretch out. Soft pricing has prevailed since 1987, following a sharp run-up in prices that caused many companies to turn to less

### Insurance

Page 22 Shopping tips for expatriates  
AIDS-related policies  
Page 23 Why EU red tape persists  
Tales from the medical front  
The business of funerals  
Insurance-company IPOs

costly self-insuring, or consultants who advise on controlling their risks.

The widely expected upswing in premium prices after Hurricane Andrew hit the industry with \$21 billion in losses in 1992 never really materialized. "It was supposed to be three years up, but it lasted about six months," said Elizabeth Malone, insurance analyst for Legg Mason Wood Walker, a Baltimore firm, noting that Wall Street stepped in and raised some \$10 billion for insurers that offset much of the loss.

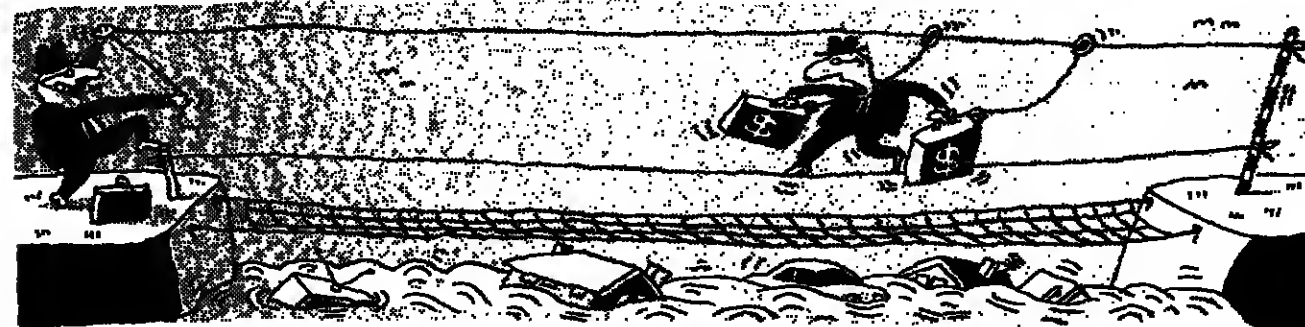
With diminished prospects for improved pricing, analysts say, the top performers in the industry are building profitability by tighter management and attention to costs, hanging on to more of their premium dollars by paying out less in claims, and controlling their losses by more careful policy-writing.

Insurers are also saving money by cracking down on fraudulent claims and in some cases, settling claims rather than going through lengthy, expensive court battles. And they are streamlining by eliminating jobs and selling off unprofitable and unrelated operations.

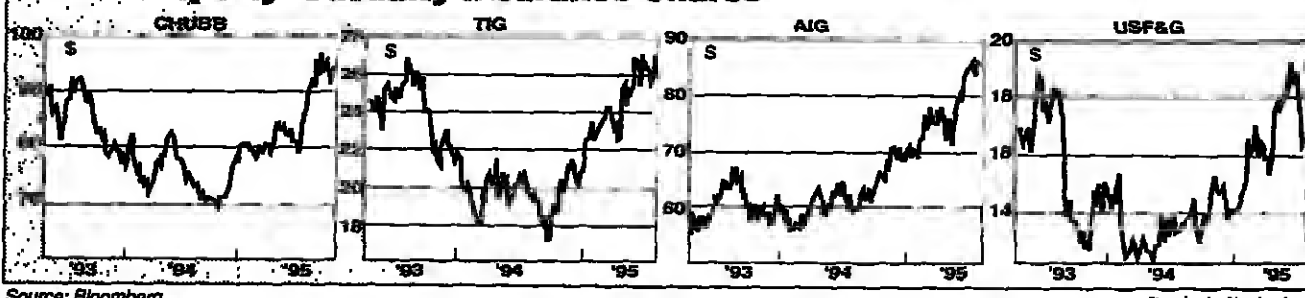
Citing her specific stock picks, Ms. Vogel adds that there are two more important criteria she looks at. "First, there's a continuing flight to quality by customers, as rating agencies have become more proactive, and second, you're seeing the most growth in companies that have the ability to expand internationally."

She favors two industry blue chips, American International Group and Chubb, even though both have already had substantial share price run-ups this year.

AIG, widely viewed as the best-managed company in the business, and a powerhouse in the American property-casualty area, already gets about half its revenues from overseas, where it sells mostly life insurance. Ms. Vogel thinks its growing presence in Asia, especially China, where the company was founded, will be a powerful driver of future earnings growth. "They're



U.S. Property-Casualty Insurance Shares



Source: Bloomberg

Drawing by Nicolas Aouf

just at the tip of the iceberg," she says.

Her target price for AIG is \$100 a share over the next 12 months. The stock split 3 for 2 last May, after hitting an all-time high of \$116, and is now trading around \$86.

Ms. Vogel is also keen on Chubb, which has thrived on its niche business of catering to the wealthy, insuring mansions, jewelry, fine arts and antiques. A perennial favorite of many analysts, the New Jersey company hit some rough spots last year, scaring away investors when it ran into problems with its small group health insurance in New York.

Now recovered, its stock has rebounded from a 52-week low of \$68.75 to \$93 last week, and Ms. Vogel likes its strong balance sheet and growing global reach.

Chubb is expanding into Asia and Europe, and testing the waters in Latin America. Although from a small base, its non-U.S. business is growing 25 percent a year, compared with 6 percent in the U.S.

Despite her preference for big blue-chips, Ms. Vogel has one small, well-managed company on her short list: Allied Group, a Des Moines, Iowa company which sells mostly auto and homeowners'

insurance. The insurer sold some \$500 million of premiums in the past 12 months, compared to AIG, which did \$12.2 billion in property-casualty premiums alone. "Allied isn't on most people's radar screen because it's so small," she said.

While Ms. Malone at Legg Mason agrees that AIG and Chubb are excellent core holdings, she is taking a different approach to property-casualty companies. "I see other opportunities in secondary stocks that have greater upside potential," she said. She favors lesser-known insurers where new managements are positioning themselves for earnings improvements by restructuring, cutting costs and controlling expenses.

One such group is TIG Holdings, a spin-off from Transamerica Corp. which went public only two years ago. As part of its restructuring, the company has exited the middle market commercial business for property and fire coverage — where stiff competition is holding down prices, and sold off its unprofitable personal lines, as well as getting out of catastrophe insurance for earthquakes.

"Because they are so highly leveraged, a little bit can make a big impact on their

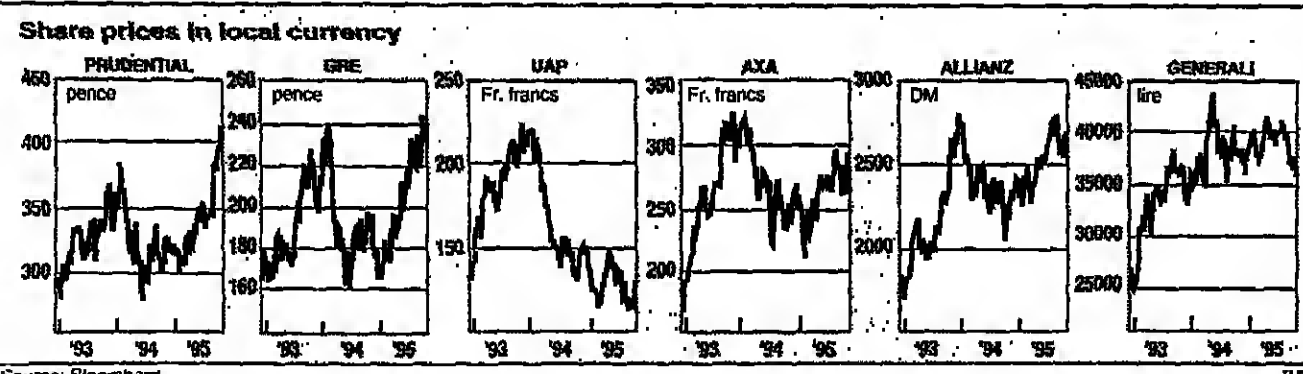
bottom line," she said. "We're looking for their \$1 a share earnings in 1994 to double to \$2.05 this year, and go to \$2.50 in 1996."

Ms. Malone is equally bullish on USF&G, a Baltimore insurer that tumbled on the edge of bankruptcy in 1990, but has revived under a new chairman and executive team. "They sold off their non-insurance businesses, and refocused their strategy on more specialized niche business like building and road construction, where they could get better pricing," she said.

She is also impressed with the company's emphasis on technology to reduce the expense of writing and delivering policies, as well as pricing them more effectively.

USF&G shares, which sank to \$6 in 1990, are currently around \$16.50. Ms. Malone expects them to reach \$23 over the next year and a half. "They still have a lot of cost savings going forward," she said.

"You're not buying these companies because of the market," she added. "You're buying a company that will benefit because of cost-cutting and other efficiencies, so it's a bottom-up approach. And if we ever get some pricing increases, they'll have an even bigger upside."



Source: Bloomberg

UFT

## Euro-Giants Learn Size Isn't Everything

By Martin Baker

**I**TS critics are vociferous. Various accused of gigantism, anti-competitiveness, lack of ambition and managerial arrogance, the European insurance industry would appear to have few friends.

Unloved and old-fashioned, there are many who argue that European insurance does not even merit the homogeneity of being called an industry. The argument runs that it is merely a collection of large corporations acting locally — and thinking locally.

All of this hostility might make the wily investor think that now is the time to buy. After all, contrarian investment analysts say that assets are financially at their most attractive when least loved by the majority.

The underlying truth, however, seems to be that European insurers are far from a blanket "buy" recommendation. What the sector does appear to have is pockets of opportunity for the discerning and conscientious investor.

"Overall, I'm not excited by European insurers, although the Dutch companies do seem to consistently attempt to offer shareholders some value for their investment," said Angus Runciman, an insurance analyst at London investment house Barclays e Zoete Wedd.

"The problem is that some European insurers have this outmoded approach in that they think they absolutely know what's best for the interests of the company and the shareholders. The logic of their argument is that if you seek to realize value in the short-term, you can never build for the future."

The moves to open up individual countries' insurance markets — such as those of Germany and the Scandinavian countries — has met with a lukewarm response from analysts.

"You have to look at everything from the vestment point of view and ask what the investor gets out of it," says Mr. Runciman. Simon Rudolph, an executive director of

though not all of them will necessarily be favorable.

"I'm not wildly keen on Allianz," he says, referring to Europe's largest insurer. "As financial reporting becomes more open and daylight is allowed into the company's accounts, you might not find the bottomless reserves that some people like to imagine. While Allianz may have other attractions as a stock, it certainly isn't a buy on the strength of favorable surprises as accounting standards change."

Mr. Rudolph argues that the numbers emerging from European insurers over the last few years have been fairly encouraging, with a modest level of claims and premium income attaining high levels.

Mr. Wheelhouse believes that premium income is far from the most important element in analyzing European insurance stocks.

"The European industry has long been protected — cosseted, you might say — by its various governments. There has always been the scope to hide profits in assets, so when you buy an insurer what you are buying is the asset base, and in that sense income from underwriting insurance risk is really secondary."

Investors who bought French insurers, and their extensive holdings in domestic property, will recognize the logic of that argument.

French insurance stocks have, in the main, been lackluster, partly because of the continued weakness of the French real-estate market. Analysts are divided as to whether the worst losses of French insurers' property subsidiaries have already been written off. There is, however, considerable sympathy for many companies which are regarded as having been virtually forced by the French government to acquire banks and their property-backed loan portfolios — in the 1980s.

But there are bright spots in the French insurance landscape. Mr. Wheelhouse regards Axa-Midi as "completely different from the rest of the French industry. The way Axa is run is very exciting, and its acquisitions of Equitable in the U.S. and National Mutual Life of Australasia in the antipodes are excellent acquisitions."

"This is a stock you can safely buy as a core holding," Mr. Wheelhouse said. "You couldn't have said that about any French insurer five years ago."

Simon Rudolph regards Axa as one of the few genuinely international European insurers: "Axa stands out head and shoulders above the rest as the best insurance company in France." But, he cautions in-

vestors who rush to buy, "this seems to be reflected in the share price."

Emerging from the pack in France, some analysts point to Union des Assurances de Paris, or UAP, as having considerable asset strength, although its aggressive program of acquisitions across Europe is seen in many quarters as having been expensive — a factor that may not yet be fully discounted in the share price.

Italian giant Generali is described in glowing terms by one New York analyst, who requested anonymity, as "one of the best and most underestimated companies in terms of pursuing a strategy for the continent of Europe." That strategy has most often been to form alliances and joint ventures in Europe, rather than trying to buy its way in across borders.

But the key attraction of the company, according to Mr. Wheelhouse, is Generali's "strong home market position. It has a good domestic base and can roam abroad without going for the kind of high-profile acquisitions that the French embarked upon. The result has been some excellent some excellent business effected in Eastern and Central Europe. You might almost say that Generali is really a Central European insurer rather than an Italian company."

One question mark that hangs over the company, however, concerns its involvement with Axa. Generali has invested hundreds of millions of dollars in the French insurer without having a significant say in its strategy. Both companies say they are seeking to simplify the situation and that they wish to do business together.

Analysts, however, are waiting for something more concrete than mere words to emerge from the situation.

London may remain the world's insurance center, but individual British companies are way behind their Continental rivals in terms of size. Prudential Corp. PLC, Britain's biggest life insurer, made a respectable £335 million (£520 million) over the first half of the year.

But analysts regard the company as suffering from the British malaise of too heavy a dependency on cyclical personal products like automobile and household insurance. This, plus strong competition in the U.K. marketplace, is seen as hampering the long-term earnings growth of companies such as Prudential and Guardian Royal Exchange.

The Money Report is edited by  
Martin Baker

## Fund facts via fax.

The International Herald Tribune iFAXFUNDS service is an instant response fax service bringing you fund information 24 hours a day, 7 days a week from anywhere in the world.

### How to use iFAXFUNDS

- 1 Check the *Menu of Services* and locate the information you need. Using the touch-tone mode on your fax machine, lift the handset and dial the *Main Access Number* as follows:
- 2 In Hong Kong: 170 67 5 545 Elsewhere: +852 172 75 545
- 3 Follow the recorded instructions, input the appropriate five digit code as from the list below, followed by the hash (#) key.
- 4 Press the star (\*) key to receive the document. You can request up to five documents with each single access to the system.
- 5 Finally, after you hear the tone, press start on your fax machine and replace the handset. Your information will be delivered instantly.

### Some funds and their codes...

#### MENU OF SERVICES

IFAXFUNDS MAIN MENU		GUINNESS FLIGHT	
Document Code.....	82700	Document Code.....	82504
GAM GLOBAL ASSET MANAGEMENT		GAIA CORP CURRENCY MANAGERS	
Dialling from the U.S.....	82500	Document Code.....	82505
Dialling from UK & Germany..	82501	TITAN CAPITAL MANAGEMENT	
From elsewhere.....	82502	Document Code.....	82506
BARING INTERNATIONAL FUND		Ueberseebank, Zurich - Switzerland	
MANAGERS (Ireland) Ltd		Document Code.....	82507
Intermediaries.....	82503	INVESCO	
		Document Code.....	82508

Herald Tribune

THE WORLD'S DAILY NEWSPAPER



## THE MONEY REPORT

## In Europe's 'Single' Market, Expatriates Can and Should Shop Around

By Barbara Wall

**M**OST people will buy life insurance at some time or another. But if you are relocated to another country, what exactly are your options?

Within Europe there would appear to be four choices:

- An insurance policy bought locally;
- A policy purchased from a company in another member state;
- A pan-European life insurance contract, available mainly in Britain;
- An international policy from one of the many offshore insurance companies that specialize in the expatriate market.

Ian Nicholson, director of the International Consultancy Group, an independent financial adviser in Paris, says the choice of insurance contract will depend largely on the length of the expatriate assignment.

"If the client is intending to stay in France long-term, and is interested in purchasing straightforward term insurance, we would usually recommend that he buy a local insurance policy," he says. "While it may be possible to find cheaper cover in another member state there will always be a currency risk to consider."

"Opportunities do exist to buy multi-currency investment products with life insurance attached," Mr. Nicholson said. "However, the insurance element is usually very small."

It was widely assumed that the European Third Life Insurance Directive, which came into effect in April 1994, would standardize insurance law throughout the EU and stimulate competition.

In fact, while the EU law governing the life-insurance industry is smoothing out, the dynamics of the member markets remain very fragmented.

According to BEUC, the European consumers association, the competitive situation varies enormously from one country to another — from highly diversified in Britain and the Netherlands to restricted in Portugal

and Greece to highly concentrated in Italy.

Not surprisingly, the countries where premiums are lowest tend to be those where market forces set premiums. These include Britain, Ireland, France and the Netherlands. The more expensive countries — Greece, Portugal and Germany — are those where central authorities continue to play a role in setting prices. Consumers in Portugal, for example, could pay up to five times the premium of consumers in Ireland for a similar insurance contract.

Faced with such huge price differentials, it would seem to make sense for consumers from high tariff countries to shop cross-border. However, language difficulties, administrative barriers and tax restraints continue to thwart opportunities for cross-border insurance sales.

Despite these hurdles, a handful of companies offer pan-European term insurance to expatriates and consumers from other member states.

Cygnus Life in Britain and the Dutch insurer Nationale Nederlanden offer term insurance in a range of currencies. Nationale Nederlanden will also provide proposal forms in English. Several other British insurers offer sterling-denominated contracts to non-residents, though they may insist that the client have a bank account in Britain.

An increasing number of insurance companies are setting up offices in Dublin and Luxembourg to market pan-European investment products into Europe. Investors can choose to add life insurance to the investment product so that the premiums qualify for favorable tax treatment in the investor's country of residence.

Old Mutual International in Dublin offers single- and regular-premium savings products with optional life insurance additions. Premiums can be paid in Deutsche marks, Dutch guilders, French francs and Belgian francs. Michael Lang, business development manager for Old Mutual, says that the cost of the life-insurance element is based on U.K. term-insurance rates.

The main drawback with many of these

policies is that investors are unable to switch between currencies when they move to another country. Mr. Nicholson advises clients who move around frequently to consider taking out an international insurance policy with an offshore insurer.

"A local contract, or a pan-European product, may not be ideal if the client relocates outside of Europe," he says. "The insurance company is unlikely to have much experience of other markets and will probably charge a much higher premium, or decline to offer cover."

Generali in Guernsey is one of the many offshore life companies that specialize in the expatriate market. It offers term insurance and regular savings plans with built-in life cover in multiple currencies. Clients can also switch between currencies if they relocate to another country.

"Many of our clients require a portable insurance contract that offers cover in a number of different currencies," a Generali spokesman says. "Local insurance contracts are rarely portable."

"Moreover, individuals could lose accrued benefits on such policies if they relocate within the vesting period, which is typically three years," the spokesman says.

Most EU member states allow citizens to deduct insurance premiums from taxable income provided the policy is bought locally. Generali acknowledges that it is unlikely that citizens would be able to do that if the policy were bought from an offshore insurer — though even within Europe it is not altogether clear if citizens can take advantage of home-country tax deduction rules when they buy insurance from a company based in another member state.

**I**f life insurance is fast becoming one of the least parochial sectors of the European insurance industry — at least according to some observers — the lack of progress at "harmonizing" automobile insurance across the EU makes up for it — and, say experts, it is likely to lag for some time to come.

John Beck, a consultant with Tillinghast

a group of actuaries in London, says he would be "very surprised" if an insurance company offered local automobile insurance rates to a non-resident foreigner.

"Motor insurance underwriters calculate premium levels according to such factors as levels of car theft, road accidents and road congestion in the home market," Mr. Beck explains. "As the extent of these risks varies widely throughout the EU, it would be impractical to apply local rates in another member state."

Some automobile insurers do market their products in other European countries. However, the premium rates are generally tailored to the risks inherent to the target market.

One underwriter notes that a number of British, French and Dutch insurers have started to market products in Germany — a country that, until recently, was effectively closed to foreign insurers.

What does all this mean for the individual insured?

Mr. Beck does not expect the increased competition that has resulted from the European single market in non-life insurance will work to reduce automobile insurance

## Annual Insurance Premiums in Europe

Car insurance	Life insurance*	Cross-border insurers*	
		Male Age: 35	Smoker Non-smoker
Britain \$494	Male Age: 30 40 50		
Luxembourg \$472			
Switzerland \$458	Belgium \$599 \$995 \$2,149	Cygnus Life \$398	\$285
Spain \$392	Netherl. 284 645 1,783	Swiss Life 507	344
Austria \$368	France 268 632 1,330	Albany Life 483	291
Germany \$323	Germany 559 786 1,479	Scottish Equitable 471	352
Italy \$297	Spain 383 820 1,948	Sackville Insurance 387	258
Portugal \$237	Italy 286 682 1,851	Generali Guernsey 500	388
Canada \$205	Austria 545 1,095 2,479	Zurich Life Internl. 341	341
Denmark \$165	Ireland 218 469 1,182	Nationale Nederlanden 419	419
Finland \$137	U.K. 289 605 1,569		
Sweden \$125	U.K. 284 498 1,055		
Greece \$114	U.K. 363 742 1,879		
Netherlands \$ 68.4			

\* 10-year term insurance for £100,000 (\$158,000)

Source: Company reports, Tillinghast auto insurance report.

premiums to a significant degree.

He does, however, anticipate that competition will encourage product innovation and will improve levels of service.

"A few markets have very simple rating structures. Consequently, some people are

paying more than they need to pay for cover, while others are paying less than they should be," he says. "Increased competition is likely to broaden premium rating in these markets and create a more personalized rating structure."

## Firms Develop New Policies for HIV Risks

By Laura Colby

**I**N the United States, acquired immune deficiency syndrome and AIDS-related disease have become the leading cause of death for people between the ages of 25 and 44 — and thus one of the leading causes of death for employed people.

However, the feared financial strain on the life and health insurance industry due to AIDS-related claims hasn't re-

ally materialized, according to industry studies.

In the United States, insurance companies spent \$1.586 billion on AIDS-related health and life claims in 1994, according to the annual AIDS Claims Survey conducted by the American Council of Life Insurance and the Health Insurance Association of America.

That was up only slightly from \$1.516 billion a year earlier. Group health claims actually declined, to \$446 million last year from \$484 million in 1993, according to the survey.

This is not because of any good news in the battle against the disease, which is estimated to have infected one million people in the United States alone and which still has no cure.

In fact, overall AIDS-related claims are up nearly fivefold since the surveys began in 1986.

However, industry analysts say that the annual cost of treating an AIDS patient has dropped sharply. In the area of \$100,000 or more in the early 1990s, it is now \$65,000 to \$73,000, according to a government survey.

That makes treatment of AIDS comparable in cost to that of other catastrophic illnesses such as cancer.

The other reason insurance companies have not faced an overwhelming flood of claims, analysts say, is that many of the new cases of the disease are among groups such as intravenous drug users and their partners — people who in general aren't covered by individual or group life insurance.

This means that the financial burden of the epidemic is being shifted to the government, which will be forced to pick up the tab through programs such as Medicaid.

Insurance companies are coming up with ways to adapt their coverage to people with AIDS or people who are at risk.

The result is that purchasers of insurance who are healthy but fear that they might be at risk for contracting the human immunodeficiency virus, or

HIV, that causes AIDS now have a number of options open to them.

For instance, many life insurance companies now provide buyers of new insurance policies with the option of cashing in a life policy early to help pay medical or other costs if the insured person is diagnosed with AIDS.

The Prudential, a life insurance company based in New Jersey, was one of the first to offer this option, which is available to anyone who has been diagnosed as having a terminal illness, according to a spokeswoman, Karen Howell.

The so-called Living Needs Benefit, which has been offered for about five years, isn't aimed specifically at people with AIDS, she added.

This option is offered at no extra charge to anyone who buys more than \$50,000 of life insurance, she said.

**A**NOTHER company, American Physician's Life Insurance Co., offers a special policy for doctors, dentists and other medical professionals who risk contracting the virus accidentally through their work.

The policy pays 25 percent of its death-benefit value when the individual tests positive for HIV. The insured person receives the remaining 75 percent of the money when he or she is diagnosed as having AIDS.

Some companies are even making the early cashing in of a life policy into an investment. Dignity Partners Inc., a company based in San Francisco, is one of many that purchase life insurance policies from people with AIDS or other terminal illnesses, and then use the policies as collateral for bonds sold to institutional investors.

Although several years ago many insurance companies began requiring a test for the virus as a condition of writing new policies, people who have HIV can and do still get new health and life insurance, at least in the United States — by becoming part of an employee insurance program where they work. Typ-

ically, employers don't require a physical examination before such insurance is granted.

Under the Americans with Disabilities Act signed by President George Bush in 1990, it is illegal for employers to discriminate against employees with disabilities, and that includes discriminating in terms of benefits such as employer-sponsored insurance coverage.

Employers, therefore, must provide all employees with the same health insurance, whether they are disabled or not.

In fact, U.S. court decisions in the past few years have also struck down attempts by insurers to cap the amount of benefits an AIDS patient can receive.

AIDS-related claims account for 10 percent of all claims under the disability act.

Not all companies have to be taken to court to get fair treatment for people with AIDS, however.

Many companies have adopted employee awareness programs to educate staff members and their families about the disease.

Some companies, such as the Chubb Group of insurance companies, offer special working conditions, such as flextime or telecommuting, to employees with AIDS.

At Pacific Telesis Group, "we treat AIDS like any other serious illness," says Jill Foley, a spokesperson for the California telecommunications company. That means full medical and disability coverage, plus a cash-out option of company life insurance policies for the terminally ill.

Pacific Telesis, based in San Francisco, used to provide an AIDS education program for its employees, Ms. Foley says, but unfortunately the disease has now become so common that a formalized program is no longer necessary.

Instead, she says, the company's employee counseling program has received many requests from AIDS support groups to work with them on a more specialized basis to help employees and their families deal with the loss of a loved one.

## BRIEF CASE

## An Africa Fund For Small Investors

GT Management PLC, the European arm of the U.S. fund management firm, is launching a new vehicle for small investors who want to make a long-term commitment to Africa.

The GT Africa fund is aimed at the serious investor — chiefly the professional and the institutional — seeking long-term growth. The fund, which will stop taking subscriptions after it has raised \$75 million, will be listed on the Irish stock exchange and domiciled in the tax-privileged location of Bermuda.

The fund is expected to commit no more than 40 percent of its money to the South African market — by far the most heavily capitalized and sophisticated African stock market — but it will also diversify across many countries and industrial sectors. The managers say they have identified the financial sector, companies benefiting from the building of Africa's infrastructure, horticulture, mineral resources and tourism as offering the most potential.

"Although South Africa dominates the continent in terms of both economic activity and stock-market capitalization, it is important to remember that a number of smaller African markets are of similar sizes and levels of development as those of Thailand, Argentina and Turkey in the late 1980s," said John Legal, the fund's manager.

"We see the adoption of sensible free-market policies, consistent with higher investment and improved economic

growth, as a trend which is set to continue," he added.

Shares are denominated in dollars, and dealing is also conducted in Hong Kong dollars, British pounds and Deutsche marks.

There are two classes of shares: A-shares have an initial minimum investment of \$10,000, while the minimum commitment for B-share investors is \$250,000. There is an initial charge of 3 percent, and an annual charge of 0.75 percent for A-share investors.

For more information, call GT Management in London at (44 171) 710 4567.

## Are You Fearless? Take This Test

Investors who had their money in Mexico a little under a year ago will know that emerging-market investors need strong nerves — or an uncanny sense of timing.

According to Fund Research Ltd., both Africa and Eastern Europe have much to recommend them at the moment.

"Africa has some of the lowest income-per-capita numbers in the world," says Janet Chisholm, an analyst at the independent research firm's London office. "Thirty years of stagnation have left their mark, but we believe South Africa has the potential to act as a catalyst to stimulate this important world economy."

The result of Fund Research's recent field trip to Eastern Europe was even more optimistic: "The region combines Asia's growth characteristics

with Latin America's monetary fragility but has the advantage of low equity valuations to make the entry point easier and the downside risk more tolerable," concluded the firm.

But downside risk, readers are reminded, is a euphemism for losing a lot of money.

## Capitalizing on The New China

Morgan Stanley Capital International has produced a China equity index comprised of 24 Chinese shares available to international investors.

According to its creators, the index seeks "to accurately reflect the performance of [the Chinese] market" by, among other things, "replicating the industry composition of the local market; by avoiding companies with excessive cross-ownership; by including a representative sampling of companies with small, medium and large market capitalizations, and taking into consideration the stocks' liquidity."

## You Win Some, You Lose Some

Emerging markets were not the place to be for hedge-fund investors, according to TASS Management Ltd. They were flat over the last quarter, and down 3.21 percent over the first nine months of the year, says the London-based firm.

Global macro hedge funds added a spectacular 14 percent over the quarter, and hedge funds that buy "distressed" equities gained 6.5 percent.

**Somewhere in this traffic is a Chase Private Banker.**

**Her car is creeping along at 10 kilometers an hour.**

**Her mind, however, is crossing borders at breakneck speed.**

**She makes trips like these every day.**

**Because she's thinking**

**About your objectives**

**And the global investment opportunities she has to meet your needs.**

**Provided, of course, you're a Chase Private Banking client.**

**THE CHASE MANHATTAN PRIVATE BANK**  
PROFIT FROM THE EXPERIENCE.

If you would like to talk to a Chase Private Banker about our global investment capabilities in portfolio management, trusts and estate planning, banking and credit products, foreign exchange, global markets and risk management tools, call any one of our 30 offices, including:

New York (212) 789-5612   Miami/Palm Beach (305) 579-9401   San Francisco (415) 693-8813   London 44-11-962-7777   Geneva 41-22-787-9111   Hong Kong 852-2841-4666   Singapore 65-530-4371

The Chase Manhattan Corporation 1995. The Chase Manhattan Private Bank is a wholly owned subsidiary of The Chase Manhattan Bank N.A. Member FDIC. All rights reserved.



## THE MONEY REPORT

## In Spite of Obstacles, EU Life Insurers Chase Cross-Border Business

By Aline Sullivan

**L**IFE insurance was always expected to be one of the laggards of the European single market program. Instead, little more than a year after barriers to foreign competition were officially dismantled, investors throughout the European Union are being courted by a host of foreign companies.

The single market for life insurance supposedly came into effect on July 1, 1994 when the First Life Directive took force. In common with most EU edicts, however, theory wasn't transformed into practice for months in many member states.

Two countries, Spain and Greece, have yet to incorporate the directive into national law and in several others taxation anomalies mean that barriers to foreign competition still exist, according to a recent report by the Comité Européen des Assurances in Paris.

But insurers have nevertheless made substantial gains.

"Considering that the pan-European insurance has only existed legally for a year and has not even been

passed in some countries, progress has been excellent," observed James Ball, head of management consultancy J.B.I. Associates in Luxembourg.

"In just the first four months of this year, total cross-border life business for companies based in the Grand Duchy exceeded the 1994 total of \$1.5 billion," he said.

Luxembourg draws many European life insurers, 35 at last count, thanks to its central geographical position and reputation for financial secrecy. Dublin, which offers companies considerable tax savings, is the next most popular choice, and six major life companies are now operating out of its International Financial Services Center.

Wherever they are based, the success or failure of life insurance companies in the single market depends heavily on their distribution channels. Two obstacles, tax and culture, have made establishing these channels hard going.

"It is difficult enough for companies to have good distribution in their home market. To do it elsewhere is extremely difficult," said Jan Kamieniecki, a partner at consulting actuaries Bacon & Woodrow in London. "What gets sold as life insurance in the dif-

ferent countries varies enormously." For example, in Britain, where 70 percent of total premiums are spent on life insurance—making it the world's third biggest life market after the United States and Japan—most life products are now unit-linked. The German market is still dominated by 30-year regular premium endowment contracts and the French market by eight-year, single-premium bonds.

Industry experts point out that these are very different products. The former is a regular savings plan that puts money into a conservatively managed fund with an annually increasing guaranteed return, plus life cover for the duration of the plan. The latter is a one-time investment into a given asset class (the term "bond" here is a marketing device and does not imply that investors are buying sovereign or corporate debt, i.e., bonds in true sense).

"One of the major determinants of who buys what comes down to tax," explained a London-based analyst. "A French product designed to take advantage of Dutch tax breaks won't sell well in Spain."

According to Patrick Devine, a European insurance specialist at London

law firm Allen & Overy, the European Commission is not yet in a position to demand that member states tax policies issued by foreign companies on the same basis as domestic policies. "In countries where the tax advantage is a major selling point, there will always be a question mark over the ability of foreign insurers to sell," he said.

This problem was well illustrated last year when Sweden instituted a 15 percent tax on life insurance premiums paid to companies based outside the country. Leading Swedish insurer Skandia AS, which markets Swiss, German and offshore policies to Swedes, objected furiously. It has taken the government to court in Sweden and asked the European Court of Justice to comment on the case.

The court is likely to favor Skandia, if its recent ruling on pension tax is anything to go by. Earlier this year it ruled in the case of Wielockx versus the Dutch tax authorities that a EU member state cannot allow its residents to deduct their pension fund contributions from their taxable income while denying this right to non-resident EU nationals receiving all or most of their income in that country.

Tax anomalies will exist until the European Commission is able to convert its existing recommendation on harmonization to a directive. And that will take years. But changes within member countries mean that tax is becoming less of an issue.

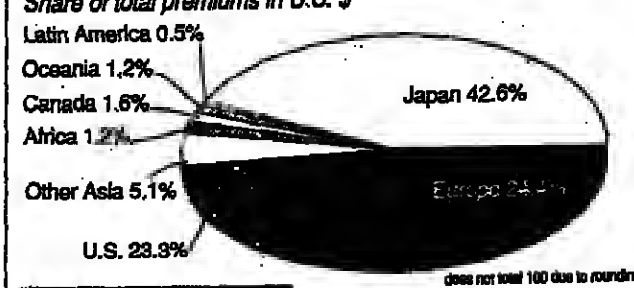
Governments in many European countries have cut tax breaks for most forms of life products, except for retirement plans. As a result, life insurance policies are becoming more standard and easier to sell directly or through banks. This, in turn, makes them easier to sell across borders.

The cultural obstacle is more difficult to overcome. "In theory, there is nothing to stop U.K. citizens from buying a Spanish policy but they don't," an analyst said. "Life and pensions are much more image sensitive than, say, motor insurance, and people like buying products from companies that they know."

To date, no U.S. life insurer has established a pan-European presence. Industry experts say they expect this situation to change, possibly as early as next year. This will make it easier for Americans working in Europe to repatriate their policies on their return.

## World Life Insurance Market

Share of total premiums in U.S. \$



European premiums 1993

% change 1993 premiums from 1992 (\$ billions)

% change 1993 premiums from 1992 (\$ billions)

% change 1993 premiums from 1992 (\$ billions)

% change 1993 premiums from 1992 (\$ billions)

% change 1993 premiums from 1992 (\$ billions)

% change 1993 premiums from 1992 (\$ billions)

% change 1993 premiums from 1992 (\$ billions)

% change 1993 premiums from 1992 (\$ billions)

% change 1993 premiums from 1992 (\$ billions)

## A Cautionary Tale About War, Medical Insurance, and Sea Snakes

By Digby Lerner

## Comparative Health-Care Spending

Health-care spending as a % of GDP

Country	Health-care spending as a % of GDP	Public sector
U.S.	14.1%	74%
Canada	10.2%	74%
Switzerland	9.9%	74%
France	9.6%	74%
Austria	9.2%	74%
Finland	8.8%	74%
Netherlands	8.7%	74%
Germany	8.6%	74%
Australia	8.5%	74%
Italy	8.5%	74%
Belgium	8.3%	74%
Iceland	8.3%	74%
Norway	8.2%	74%
New Zealand	7.7%	74%
Sweden	7.5%	74%
Japan	7.3%	74%
Spain	7.3%	74%
Portugal	7.3%	74%
UK	7.1%	74%
Luxembourg	6.9%	74%
Ireland	6.7%	74%
Denmark	6.7%	74%
Greece	6.7%	74%
Mexico	4.9%	74%
Turkey	2.7%	74%

Source: OECD

**M**RS. X (not her real name), a British expatriate living in Asia, settled down on a remote Cambodian beach to unwind from a hard week's work—and was bitten by a poisonous sea snake.

Local doctors did what they could, but it was only by virtue of her medical insurance that she was able to be evacuated to a well-equipped hospital.

"She's fully recovered and back at work now, but it was a close call," said David Pryor, a director with Expacare, a British medical insurer specializing in expatriates.

If you are currently an expatriate or are about to become one, you may think you have more pressing concerns than checking out your medical insurance coverage. Think again.

Unlike people taking short vacations abroad—a market where the available health-insurance plans are pretty similar—those living and working abroad are faced with a wide range of options, and an even wider range of risks.

Even if the employer provides medical insurance as part of its expatriate package, experts stress that employees

needs to ensure they know exactly what it covers.

"The most important consideration is how much experience the insurer has," Mr. Pryor said. "Dealing with medical claims is a very specialized area, so it's good to know the company you choose has a long and successful track record."

Just as important is the type of country the expatriate will be working in.

In the United States, for example, where health-care costs are high and insurance coverage is spotty, Mr. Pryor recommends that expatriates buy "the works" a minimum \$500,000 cover, outpatient care, drugs, physiotherapy. If possible you should also opt for routine dental treatment and pregnancy cover.

In a developing country, on the other hand, this level of coverage would be excessive. Not only are medical costs likely to be much lower, the range of available treatment will be more limited.

"Cover for dental care would be a waste of time in some countries, where you can't buy good treatment at any price," Mr. Pryor said.

In poorly equipped or isolated regions, much more emphasis needs to be placed on evacuation coverage to ensure that the patient can be airlifted

speedily to the nearest hospital. Good evacuation coverage provides air ambulances if needed and also guarantees the patient is transferred to the nearest center able to deal with specific types of illness. And because these are likely to be private clinics, say advisers, the plan needs to cover much more than just the airplane.

Private medical insurance is growing worldwide, not only because the number of expatriates continues to increase, but also because the increasing burden of medical costs is weighing heavily on governments that previously provided state-backed programs.

Recent events in the Middle East show how quickly good medical provision can melt away as circumstances change. Prior to the Gulf War several of the Gulf states provided expatriates with free medical coverage. Since then Middle Eastern governments have found themselves struggling financially and now demand that expatriates make their own provision. Some will only renew work visas for workers who can show they are either covered by their own country's state system or by an approved medical insurer.

The pressure of medical costs can even cause deterioration in countries where provision is already near zero. East European countries have been

particularly hard hit in this respect, with already poor standards declining further in many areas since the fall of communism.

The problem has become so acute that a Unicef report published last August claimed mortality and health problems in former East Bloc countries are the worst Europe has seen this century. While some countries, notably the Czech Republic, are making efforts to improve the situation, progress is slow.

David Boyle, executive director of the BUPA private health company in Britain, said that being well-informed about local provision is the key to buying adequate coverage.

"When overseas you have to consider the different facilities, or lack of such facilities, which in turn may be exacerbated by language complications," he said. "If you are taking out private medical insurance it is important to know what you are paying for and be certain that you are sufficiently covered for your circumstances."

Despite the differences between policies, most offer at least some for hospital accommodation, specialists' fees, inpatient care (including X-rays), drugs, dressings and outpatient care.

But rather than worrying about what the policy offers, BUPA said, policyholders should consider the restrictions. Dangerous sports are often excluded from basic policies. That means a spur-of-the-moment decision to try your hand at water skiing could take you beyond the scope of the policy if things go wrong.

Insurers are normally happy to take on such risks but usually charge an extra premium for them. The golden rule, say advisers, is to check out the policy details beforehand.

More innocent excursions can be just as problematic. Many expatriate policies are specific to the country of residence, and therefore may not cover you while you are away.

Even those returning home for a brief break may find themselves out of cover. With most plans the policyholder is forced to buy new medical coverage in the home country. This means, for example, that pre-existing illnesses are taken into account and could either push up the premium or lead to the policyholder being refused coverage altogether.

Some insurers, aware of the problem, have come up with a way around it. American Express Insurance Services in Britain, for instance, offer of a travel medical insurance policy that covers cardholders in their country of residence as well as on the road.

## How to Profit From One of the World's Most Reliable Growth Industries

By Ann Brocklehurst

**L**IFE insurance may be one of the most common ways to cash in on death, but it is far from the only one. A handful of North American funeral-home companies are rapidly expanding, chalking up increased profits and revenues as they grow both at home and abroad.

The companies—the largest of which are Service Corp. International, Loewen Group Inc. and Stewart Enterprises Inc.—hope to benefit from the economies of scale achieved when they buy out small independent funeral homes as well as from offering consumers new products and services.

Together the big three companies still own only 10 percent of funeral homes in the United States, which, according to David Jarrett, senior vice-president of Gerard Klauer Manton in New York, means "there's

plenty of room to grow."

While funerals are still primarily a family business, passed down through the generations, recently heirs have been reluctant to continue the tradition—a trend that, experts say, makes for lots of acquisition candidates.

Consumers, moreover, may not be able to distinguish between an independent and chain-run funeral business, since the big companies rarely change a home's name or publicize their presence. The philosophy is that people want to deal with a business they know and trust. Loewen Group says it tries to persuade at least one family member to remain with the business after it is acquired.

Acquisitions in the industry have remained strong this year. To date in 1995, Loewen, a Canadian company based in Vancouver and traded on the Nasdaq Stock Market, has agreed to buy \$758 million worth of funeral homes and

cemeteries in the United States and Canada.

Service Corp., which is headquartered in Houston and heads itself as the largest funeral and cemetery service organization in the world, bought out the Gibraltar Mausoleum Corp. of Indiana for \$99 million and 3.29 million shares of its common stock.

The company, which trades on the New York Stock Exchange, has extended its shopping spree abroad. This year it purchased a controlling interest in two funeral subsidiaries of France's Lyonnaise des Eaux for some \$423 million, and in 1994 it moved into Britain with the acquisition of Great Southern Corp. for \$173.8 million.

Consolidation has boosted Service Corp.'s revenues for the first nine months of this year to \$1.1 billion, up 37.5 percent from the same period last year. The company's net income climbed 32.3 percent, to \$127 million, in the same period.

Loewen's nine-month sales increased 40 percent, to \$422 million, as profits rose 35 percent, to \$37 million.

Both companies are benefiting from "clustering," a strategy that allows funeral parlors to cut fixed costs by sharing a range of services, from hearses to employees, thereby producing economies of scale.

"Vehicles are very expensive, and you want your employees to stay busy," explains Susan Little, an analyst with Raymond James & Associates in St. Petersburg, Florida. "In Houston, they have central embalming."

Ms. Little—who, not coincidentally, estimates that the number of deaths in the United States will rise from 2.30 million in 1994 to 2.56 million in 1999 and 2.60 million in 2010—has "buy" recommendations on two companies: Service Corp. and Stewart, which specializes in the cemetery side of the business and is based in

New Orleans. She believes that Loewen already trades at fairly high price-earnings multiple and recommends it only for "accumulation."

Earlier this month, Loewen shares lost more than a quarter of their value when a Mississippi jury ordered it to pay \$500 million to an acquisition target. The company had accused Loewen of renegeing on a 1991 purchase agreement valued at only \$8.5 million.

Despite the Mississippi verdict and another \$200 million lawsuit from the Pennsylvania-based insurer Provident American Corp., analyst Keith Mullins of Smith Barney continues to like Loewen stock and believes it will outperform the market. He expects the jury's award to be substantially reduced during the appeals process Loewen has begun.

In their quest for customers—and shareholders and acquisition candidates—the big U.S. "death care" corporations

are changing the dynamics of the funeral business.

The industry's image as an exploiter of grief has never recovered from the unflattering portrait painted by the journalist Jessica Mitford in her 1963 book, "The American Way of Death." Nor is it helped by periodic scandals, such as the recent case of a Florida undertaker who received money from absent relatives for the burial of bodies which he then simply stored in a warehouse.

Analysts point out, however, that this negative image is either outdated or applicable only to the shadiest of small private enterprises—not to modern public corporations with shareholders and regulators to answer to.

The large funeral companies, like large companies in any industry, also have to keep an eye on the antitrust authorities in the various countries in which they do business. As a result, the companies have broadened

their range of products, offering more modest coffins and simpler services in addition to the sort of deluxe funeral that can cost thousands of dollars.

Companies that operate internationally also have to be sensitive to local preferences in order to prosper. In Britain, Australia and Canada, where cremation is more common than it is in the United States, funeral homes focus on selling urns and commemorative plaques rather than burials.

And all companies are placing greater emphasis on "pre-need" funerals, which allow consumers to choose and pay for their funerals in advance and save their families from having to make such decisions in times of stress.

## From Policyholder to Shareholder in One (Fairly) Easy Step

**I**NDIVIDUAL investors can make money out of insurance companies—even if the company in question is not quoted on a stock exchange.

The secret is to be a policyholder in a company that is changing its status from a mutual association—an entity which is wholly owned by its policyholding members—to that of a corporation.

The change of status for policyholders is from association member and owner of a fraction of unrealizable assets to that of stockholder of a listed company.

Swiss Life, which said this week that its policyholders will decide in mid-1997 on the planned transformation of the mutual company into a publicly owned company, provides the latest example of this phenomenon.

The commercial logic of the move, according to the management of the company, is greater access to capital markets.

If the change of status follows the pattern of similar international transactions, the move could be highly profitable for Swiss Life's existing members.

Scottish Mutual, a Glasgow-based life-insurance company,

was formerly a mutual society. But after its management agreed a deal with Abbey National, a British bank—itsself a recently corporatized building society, or thrift institution—members received a cash bonus as compensation for the bank's acquisition of assets and goodwill.

Australian and New Zealand policyholders of National Mutual Life of Australasia experienced a similar financial windfall when their mutual society was acquired this summer by French insurer Axa-Midi.

Policyholder approval of the deal was far from a foregone conclusion, and Axa's public relations officers had some hard work to do when difficult questions were asked about French nuclear testing in the South Pacific at a members' meeting in Melbourne.

But members were ultimately won round by a combination of Axa's argument that it should be regarded as an international rather than a French company, and the financial benefits to both the mutual association and the members themselves.

Swiss Life is Switzerland's biggest life insurer. It said in September it would sell shares to the public in mid-1996 or mid-1997.

About 500,000 policyholders in Switzerland will be able to vote on the change, and two-thirds will have to agree for the share sale to go through, Swiss Life said in a statement.

Current holders of Swiss Life participation certificates will also decide in 1997 on the conversion of their non-voting shares into the Swiss Life shares that are to be created.

Swiss Life also said in September that Union Bank of Switzerland, the country's biggest bank, would take a 25 percent stake in the company.

Assuming that the company gets the majority its wants and the conversion to corporate status goes ahead, policyholders-turned-shareholders will face a dilemma common to every owner of stock in a hot new flotation: If your approach to owning shares is purely financial, just how long should you hold on?

Some analysts argue that in the world of new issues, the longer you hold on to your shares the more likely you are to end up a loser.

Consider Ontrak Systems Inc., On Technology Corp., and Novadigm Inc., each of which treated U.S. shareholders to a summer joy ride. Since then shares in all three have fallen like autumn leaves.

Should investors still be holding shares? "I might be a little nervous right now," said Jay Ritter, a finance professor at Massachusetts Institute of Technology's Sloan School of Management who specializes in initial public offerings, or IPOs.

The initial pop that sends highly hyped shares soaring in the first days of trading is standard in the IPO market, experts say—and so is the stagnation that follows a few months later.

Between 1970 and 1990 IPOs posted an average total return of 16 percent if bought and held for five years, according to a study by Mr. Ritter and Toma Loughton, a finance professor at the University of Iowa.

Investments in comparable companies that weren't newly public posted an average return of 66 percent over the same five-year period.

Many IPOs start life when things look great—which is both their blessing and their curse.

Companies typically go public when the overall market is at or near a peak. Also, many companies that go public tend to be in industries that the financial world loves for that moment.

Just now, for example, investors can't get enough of software companies that link computers in networks or help computer users browse the global computer network.

Unfortunately, market highs end.

"The smaller offerings tend to do exceptionally bad, and young companies tend to do exceptionally bad," Mr. Ritter said.

Small and young describes plenty of recent U.S. equity issues. The Bloomberg IPO index, a capitalization-weighted index of the performance of new issues in their first year of trading, dropped around 10 percent in the early part of last month.

"The bigger the pop, the flatter the champagne," said Robert Benin, new issues analyst and president of San Francisco-based IPO Crossroads.

"A lot of issues spiked up right after the offering and have been flat ever since," said Charles Givsky, a fund manager at State Street Research & Management Co. in Boston.

Of the 293 new U.S. issues sold in the six months to mid-October more than three quarters traded at or above their offering prices.

Compare that with the figures for the IPOs of July 1993—nearly two thirds were trading below their offering prices some 27 months later.

(Bloomberg, IHT)

## 12 MONTHS DEPOSIT 100% RETURN

Double your money in 12 months? You think it's impossible? Not so! The unique 100% RETURN PLAN employs Index Options to return a 100% net profit after 12 months. The Plan is especially designed to be managed by the investor himself—no need for professional management. You retain control—your funds are held at your own bank or broker in your own currency. For an information package containing a full explanation, a 'live' case history and clear detailed operating instructions, free of charge and without obligation, send your mailing address to:

INVESTMENT PROGRAM MANAGEMENT INC. Box 333-1-601-980  
Mail: 58 FITZWILLIAM SQUARE, DUBLIN 2, IRELAND

## Speculation can seriously damage your private economy

But if you want to take a measured and calculated risk, Jyske Bank has an investment scheme available.



the investment over several high yielding currencies.

- Choose your strategy based on dollars, European currencies or whatever you prefer.
- Reduce risk by spreading

For further information UK residents may use Free Phone 0 800 378 415 or mail the coupon.

The value of investments can go down as well as up and an investor may not get back the original amount invested. Depending on the investor's currency of reference, currency fluctuations may adversely affect the value of investments.

## JYSKE BANK

Jyske Bank, Private Banking (International)  
Verkegade 9, DK-1780 Copenhagen. Tel: +45 3376 7801. Fax: +45 3376 7811

☐ Please send me information on the Invest-Loan with guaranteed investments.

☐ Please send me information on the No. 1 Account with a VISA card.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Postal Code: \_\_\_\_\_

City: \_\_\_\_\_

711-404 Telephone: \_\_\_\_\_

هتوا من الاصل



Deutsche Morgan Grenfell  
Tel: +852 2868 0388

PAGE 24

# Herald Tribune SPORTS

SATURDAY-SUNDAY,  
NOVEMBER 18-19, 1995

Deutsche Morgan Grenfell  
Tel: +852 2868 0388

## WORLD ROUNDUP

## France Aims for 4th in Row Over Once-Invincible All Blacks



Michael Chang, after his impressive defeat Friday of Jim Courier.

### Chang Ousts Courier

**TENNIS** Michael Chang beat Jim Courier, 6-2, 7-5, Friday in Frankfurt to reach the semifinals of the ATP Championships for the first time. He faces Pete Sampras on Saturday, and Thomas Enqvist plays Boris Becker. Chang had 11 aces, Courier none. Chang broke his fellow American twice to win the first set, and after trading breaks early in the second, Chang broke again for a 6-5 lead and served out the match in one hour, 32 minutes. (APF)

### Vaughn Is AL's MVP

**BASEBALL** Mo Vaughn edged Albert Belle for the American League's MVP award in one of the closest elections ever. The two tied for the AL RBIs lead with 126. Belle led the majors with 50 home runs and became the first player to get 100 extra-base hits since Stan Musial in 1948. Vaughn hit 300 with 39 homers for Boston. (AP)

### Another Victory for King

**BOXING** The boxing promoter Don King, came away with another legal victory Friday when prosecutors withdrew their appeal of a mistrial ruling in his insurance fraud trial in New York. (AP)

### European Seeds Named

**SOCCER** England, Denmark, Germany and Spain will be the four seeded teams in next month's draw for the 1996 European Championship. Italy, favored by bookmakers to win the 16-team tournament, was bypassed for a seeded spot. The tournament will be played at seven sites in England from June 8 to 30. (Reuters)

**International Herald Tribune**  
LONDON — Last June, the Southern Hemisphere rugby powers looked invincible to their rivals from the North. But that view shifted as winter crept in this weekend — because the Southerners have come north.

In Paris, France will be seeking an unprecedented fourth straight victory Sunday against New Zealand.

After upsetting the All Blacks by three tries to none a week ago in Toulouse, across the Channel, for the unveiling of newly enlarged Twickenham, England will be seeking to break the 13-game winning streak of world champion South Africa, which has been rather glum in post-World Cup victories against Wales and Italy. The Springboks have changed five players since the final in Johannesburg, but their big omelets are still in place.

The Europeans were forced to adapt after the South cast them out in the World Cup semifinals in June: France lost narrowly in a quagmire to host South Africa, and England had the spirit tromped out of them by the All Blacks and Jonah Lomu.

The French have changed coaches twice already, bringing in Jean-Claude Skrela after a player's revolt just two days before its all-the-more dramatic 22-15 beating of New Zealand. France is now preaching the same sort of total rugby "vision" that New Zealand seemed to be patting last June.

The English, staid, conservative and polite as the All Blacks were trampling all over them five months ago, have gone — shall we say it? — Hollywood. Their captain, Will Carling, has achieved the kind of universal celebrity usually left to the Hugh Grants after his publicized secret meetings with Princess Diana, resulting in the breakup of his marriage with a blonde, British TV star.

In American sport, as in Hollywood, the Carling saga would have been milked for "the good of the game," or at least for income and exposure, much as figure skating grew in popularity from the sordid Tonya Harding-Nancy Kerrigan scandal. But out the English — oh dear, no. Never.

"This season I have enjoyed playing club rugby, but the other hits and pieces have not been great fun," said Carling. "I love playing internationally, but it would be a lie if I didn't say that parts of being captain are not very nice."

Carling hasn't ruled out his availability for the 1999 World Cup. By then English rugby might be onto the truths of the professional/entertainment world into which they're just now entering, and they might want to keep him around for his market value.

Until then, however, mild outbursts such as that from Mike Catt last weekend will be taken too seriously. Catt, moving from fullback to fly-half permanently as of Saturday (or so he hopes), was rebuked by his

coach for referring to South African captain Francois Pienaar as "an average player." The Springboks have since given Pienaar a new nickname: Average.

The 24-year-old Catt has become the fulcrum of this test match. Three years ago he was visiting relatives in England from his native South Africa, when he decided to call a few clubs, looking for a game. He settled at Bath — England's leading club — where he has replaced Stuart Barnes at fly-half. Catt has been England's fullback for a year, moving to fly-half once in the first round of the World Cup.

He has already criticized his predecessor, Rob Andrew, for preferring to kick goals rather than pass wide to the fastest backs England has ever had. In fact, the English hope that Catt steers them onto a higher plane of expansive, running rugby in the Southern Hemisphere mode. They just wish he would keep his mouth shut.

"We watched a video of him playing against Western Samoa in the World Cup," said South Africa fly-half Joel Stransky, who won the World Cup final against New Zealand with his kick in extra-time. "He is a talented player and looks to be quite adventurous." However, he added: "Catt is unproven at fly-half at international level and it's a huge adjustment from club level."

**ENGLAND** has also moved away from mainstay forwards Dean Richards and Brian Moore (who, by the way, always had a much bigger mouth than Catt), with hope that its changes will be as successful as the benchings in France of the World Cup stars Olivier Roumat, Thierry Lacroix and Laureat Cabannes. When those three were banned by France for remaining in South Africa to play in the Currie Cup, their French teammates boycotted a civic reception. The oaf French manager, André Hurrel, took all of this personally and quit on the spot.

Out of all this, 10 days later, the French believe they're on the verge of greatness. "I want us to be able to play total rugby," said Skrela. "It's something that's always been uppermost in my mind."

He should recall every nice thing that was said about Pierre Berbizier after he coached France to its historic victories at New Zealand last year. Berbizier's France fell one stride short of the winning try against the Springboks; he finished third in the World Cup, and then lost his job.

The All Blacks have made four changes for this match, but mostly will seek to unhinge the mammoth Lomu, who was held down last weekend. It will be the last appearance by New Zealand's manager, Laurie Mains, a visionary genius on the eve of the World Cup final, unpopular at home now.

"I just want to get out of the public eye," said Mains, who wasn't talking like that five months ago. The Europeans will be seeking to exploit such differences.



Joel Stransky (10) and the World Cup rugby champion, South Africa, play England on Saturday at Twickenham.

## Can the Cowboys Pass Raiders' Test?

By Timothy W. Smith  
New York Times Service

**Dallas (8-2) at Oakland (8-2)** Charles Haley's 10.5 sacks leads the NFL. The Raiders defense is holding opponents to 29.4 percent on third-down conversion attempts. This is game No. 2 in a bru-

### NFL MATCHUPS

**Detroit (4-6) at Chicago (6-4)** Herman Moore averages 7.3 catches for 103.4 yards a game. Erik Kramer has thrown 23 TDs to lead the league.

**San Francisco (4-6) at Cleveland (4-6)** The Browns defense is allowing opponents to convert 49.6 percent of their third down attempts — the worst in the AFC. Brett Favre leads the NFL in third-down passing, completing 61.5 percent of his passes for 8 TDs and 2 interceptions.

**Philadelphia (5-4) at Pittsburgh (6-4)** The Steelers defense is allowing opponents to convert just 31.5 percent of their third down attempts. But the Bengals do have some nice offensive weapons. Steelers by 3.

**Seattle (4-6) at Washington (3-7)** The Seahawks have scored 77 points in their last two games, versus 74 in their first four games. Brian Mitchell's 26.2 yards per kickoff return leads the NFL. Redskins by 3.

**St. Louis (6-4) at Atlanta (6-4)** The Falcons defense is allowing 260.8 yard passing yards — second most in the NFL. Isaac Bruce leads the NFL in receiving yards with 1,183.

**San Francisco (4-6) at Miami (6-4)** Dan Marino averages 9.25 yards per attempt on third-down passes — the most in the NFL. The 49ers defense has allowed just 5 TDs on its opponents' 28 trips inside the red zone (17.9 percent) — the best mark in the league.

**New York Jets (2-8) at Buffalo (7-3)** Bruce Smith has a career-best 24.5 sacks against the Jets. The Jets pass defense is No. 1 in the league, but the run defense

gets the great timing award. Since the announcement that he was moving the team to Baltimore the Browns have gone 0-2. All the hubbub is a distraction. Packers by 2.

**Indianapolis (5-5) at New England (4-6)** Jim Harbaugh leads the NFL in average yards per attempt (8.38), fewest interceptions (2) and interception percentage (1.1).

**San Diego (4-6) at Denver (5-5)** The Broncos have allowed just five interceptions — the fewest in the league. The Chargers are allowing 14.6 yards per punt return — second worst in the NFL.

**San Francisco (4-6) at Minnesota (4-6)** The Saints' defense has allowed 81.8 yards rushing in the last five games. Chris Carter's 72 receptions are the second most in the league.

**San Francisco (4-6) at Minnesota (4-6)** The Saints' defense has allowed 81.8 yards rushing in the last five games. Chris Carter's 72 receptions are the second most in the league.

**San Francisco (4-6) at Minnesota (4-6)** The Saints' defense has allowed 81.8 yards rushing in the last five games. Chris Carter's 72 receptions are the second most in the league.

**San Francisco (4-6) at Minnesota (4-6)** The Saints' defense has allowed 81.8 yards rushing in the last five games. Chris Carter's 72 receptions are the second most in the league.

**San Francisco (4-6) at Minnesota (4-6)** The Saints' defense has allowed 81.8 yards rushing in the last five games. Chris Carter's 72 receptions are the second most in the league.

**San Francisco (4-6) at Minnesota (4-6)** The Saints' defense has allowed 81.8 yards rushing in the last five games. Chris Carter's 72 receptions are the second most in the league.

**San Francisco (4-6) at Minnesota (4-6)** The Saints' defense has allowed 81.8 yards rushing in the last five games. Chris Carter's 72 receptions are the second most in the league.

**San Francisco (4-6) at Minnesota (4-6)** The Saints' defense has allowed 81.8 yards rushing in the last five games. Chris Carter's 72 receptions are the second most in the league.

**San Francisco (4-6) at Minnesota (4-6)** The Saints' defense has allowed 81.8 yards rushing in the last five games. Chris Carter's 72 receptions are the second most in the league.

**San Francisco (4-6) at Minnesota (4-6)** The Saints' defense has allowed 81.8 yards rushing in the last five games. Chris Carter's 72 receptions are the second most in the league.

**San Francisco (4-6) at Minnesota (4-6)** The Saints' defense has allowed 81.8 yards rushing in the last five games. Chris Carter's 72 receptions are the second most in the league.

**San Francisco (4-6) at Minnesota (4-6)** The Saints' defense has allowed 81.8 yards rushing in the last five games. Chris Carter's 72 receptions are the second most in the league.

**San Francisco (4-6) at Minnesota (4-6)** The Saints' defense has allowed 81.8 yards rushing in the last five games. Chris Carter's 72 receptions are the second most in the league.

**San Francisco (4-6) at Minnesota (4-6)** The Saints' defense has allowed 81.8 yards rushing in the last five games. Chris Carter's 72 receptions are the second most in the league.

**San Francisco (4-6) at Minnesota (4-6)** The Saints' defense has allowed 81.8 yards rushing in the last five games. Chris Carter's 72 receptions are the second most in the league.

**San Francisco (4-6) at Minnesota (4-6)** The Saints' defense has allowed 81.8 yards rushing in the last five games. Chris Carter's 72 receptions are the second most in the league.

**San Francisco (4-6) at Minnesota (4-6)** The Saints' defense has allowed 81.8 yards rushing in the last five games. Chris Carter's 72 receptions are the second most in the league.

**San Francisco (4-6) at Minnesota (4-6)** The Saints' defense has allowed 81.8 yards rushing in the last five games. Chris Carter's 72 receptions are the second most in the league.

**San Francisco (4-6) at Minnesota (4-6)** The Saints' defense has allowed 81.8 yards rushing in the last five games. Chris Carter's 72 receptions are the second most in the league.

**San Francisco (4-6) at Minnesota (4-6)** The Saints' defense has allowed 81.8 yards rushing in the last five games. Chris Carter's 72 receptions are the second most in the league.

**San Francisco (4-6) at Minnesota (4-6)** The Saints' defense has allowed 81.8 yards rushing in the last five games. Chris Carter's 72 receptions are the second most in the league.

**San Francisco (4-6) at Minnesota (4-6)** The Saints' defense has allowed 81.8 yards rushing in the last five games. Chris Carter's 72 receptions are the second most in the league.

**San Francisco (4-6) at Minnesota (4-6)** The Saints' defense has allowed 81.8 yards rushing in the last five games. Chris Carter's 72 receptions are the second most in the league.

**San Francisco (4-6) at Minnesota (4-6)** The Saints' defense has allowed 81.8 yards rushing in the last five games. Chris Carter's 72 receptions are the second most in the league.

**San Francisco (4-6) at Minnesota (4-6)** The Saints' defense has allowed 81.8 yards rushing in the last five games. Chris Carter's 72 receptions are the second most in the league.

**San Francisco (4-6) at Minnesota (4-6)** The Saints' defense has allowed 81.8 yards rushing in the last five games. Chris Carter's 72 receptions are the second most in the league.

**San Francisco (4-6) at Minnesota (4-6)** The Saints' defense has allowed 81.8 yards rushing in the last five games. Chris Carter's 72 receptions are the second most in the league.

## CANDYLAND By Cathy Millhauser

ACROSS	DOWN
1 Not so fast	62 Rent
8 Deck supervisors	63 Dumas heroes exploit losers?
14 Making even	70 Marathoner's ordeal
21 By the sea	71 Sirenicus
22 Bulletin board fastener	72 Buttercup relatives
23 Puff's land, in song	73 Imbue
24 Actress Barbara shows affection for E.M.T.?	75 Role for Liz in '63
27 Biblical birthright seller	76 Get better in barrels
28 Detecting device	77 Monthly check sender: Abbr.
29 Dynamite sound	79 Kind of fingerprint
30 Proceeds	80 Russian title character acts deviously?
31 Barker and Bell group?	86 "Cheers" network
34 Preschool group?	89 Furthermore
35 C.E.O.'s deprive	90 Tarzan creator's monogram
36 Colorado tributary	91 Marvin Lee — a.k.a. Meat Loaf
40 That Sp	92 Spring perennial
41 Naughty but nice women fail to rom-turme Duns	96 "Omnibus" host Cooke
48 Brief freedom?	99 Open auto of old
49 Table scraps	101 Strip at a swim meet
50 "There was —"	102 Fumblers deface parts of diamonds?
51 "Use badge and art"	108 "Cumo —" used?
55 Cupid suffix	
56 "Just kidding!"	
57 Did nothing	
58 Cheese choice	

© New York Times/Edited by Will Shortz

**TWA**  
FIRST CLASS  
SERVING  
BUSINESS CLASS  
FARE

For reservations and information call your travel agent or local TWA office.

**FIRST CLASS SERVICE**  
**BUSINESS CLASS FARE**

**ESCORTS & GUIDES**

**BELGRAVIA ORCHIDS**  
LONDON PARIS CANNES MUNICH  
GENEVA ZURICH  
East Agency Credit Cards Welcome  
Left Travel Service Available  
TEL: LONDON  
0171 589 5237

**SABLE INTERNATIONAL**  
Escort Service London  
0171 610 401

**EUROPEAN MODEL ESCORT SERVICE**  
MIAMI + MONTE CARLO +  
GENEVA + ZURICH + BASEL +  
LUXEMBOURG + ST. PETERSBURG +  
FRANKFURT + BERLIN + MUNICH +  
PARIS + OSLO + VIENNA + LONDON  
Escort Service  
Tel: 212-246-2996 New York, USA  
Major Credit Cards Accepted

**ULTIMATE '10'**  
New York Escort Service  
Tel: 212-888-1666

**ARISTOCATS Escort Service**  
3 Shaftesbury St. London W1  
0171 258 0090

**ELITE Escort Service**  
NEW YORK CITY  
1-800-464-6667

**VIENNA PARIS BERLIN MILAN**  
FRANKFURT ZURICH BERLIN  
Escort Service  
Tel: 212-246-2996 New York, USA  
Major Credit Cards Accepted

**PRIME TIME**  
Escort Service in New York  
Tel: 212-279-8222 USA

**GERMAN ESCORT SERVICE**  
Escort Service  
Tel: 0171 258 0090

**FRANKFURT - TOP TIER**  
Escort Service  
Tel: 069 - 397 4398

**MUNICH - WELCOME**  
Escort & Guide Agency  
Call 089-71 23 14 or 072979 149

**TO OUR READERS IN GREECE**  
It's never been easier to subscribe and save. Just call today (1) 99-19-328 in Athens.

Praise In Flyer

NHL ROUNDOUP

SCOREBOARD

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE

WESTERN CONFERENCE

FOOTBALL

BASEBALL

SOCCER

OTHER SPORTS

ENTERTAINMENT

TECHNOLOGY

TRAVEL

FOOD & DRINK

HEALTH & FITNESS

ARTS & CULTURE

OPINION

CLASSIFIED

ADVERTISING

CONTACT

ABOUT

TERMS

FAQ

HELP

FEEDBACK

LEGAL

PRIVACY

COOKIES

CONTACT



## SPORTS

# Praise for Lindros In Flyers' Victory

The Associated Press  
It took Eric Lindros just 93 seconds to let the Ottawa Senators know he was back in the Philadelphia Flyers' lineup.

The slumping Senators weathered that storm, but in the end Lindros damaged them beyond repair.

"He's a great force out there," said his linemate Mikael

## NHL ROUNDOUP

Renberg, who had a goal and an assist in the Flyers' 5-3 victory Thursday night. "I think just having him on the ice brings confidence to the other players. At least that's the way I feel."

Philadelphia's coach, Terry Murray, also praised Lindros: "You can almost see the intangibles he brings when you walk into the dressing room. There is an attitude, a feeling of electricity. There's nothing better than him having a night like he had tonight."

But Lindros, who missed the previous seven games because of a knee injury, said his play was over.

"I wouldn't say I was a force," he said. "My legs felt pretty good. My hands weren't that strong. I knew my hands couldn't be great. You just have to work on it."

In addition to two goals by their top center, the Flyers got four assists from their second-best, Rod Brind'Amour.

Philadelphia, just 2-4-1 while Lindros was out with a sprained left knee, scored three

goals in just three minutes in the final period to hand Ottawa its sixth straight loss.

Kings 9, Islanders 2 Wayne Gretzky had a goal and five assists to pass Mario Lemieux for the National Hockey League's assist lead.

Gretzky extended his assist streak to eight games and has 27 on the season, three more than Lemieux. It was Gretzky's first six-point game since he had two goals and four assists against Detroit on Oct. 9, 1993.

Vitali Yachmenev and Dimitri Khristich each had two goals and Tony Granato, Eric Lacroix, Marty McSorley and Darryl Sydor also scored for the Kings. Jamie Storr, the 19-year-old Kings rookie, stopped 34 shots to improve to 3-1-0.

Blues 3, Sharks 1 In St. Louis, Patrice Tardif scored the decisive goal at 4:04 of the third period, and Grant Fuhr allowed only one goal for the fourth time in five games as St. Louis beat San Jose.

Fuhr, who has started every game for the Blues, stopped 21 San Jose shots. He needs just two more victories to become the 11th goalie in NHL history to reach 300.

Chris Terreri, playing his first game for the Sharks after being acquired from New Jersey, made 27 saves. But San Jose lost its sixth straight.

Lightning 4, Panthers 2 In Miami, Scott Mellanby scored a pair of goals, and Florida staged another third-period rally to tie Vancouver. The tie snapped



The Senators' Alexandre Daigle firing a shot at Philadelphia's goalie, Ron Hextall, in a game won by the Flyers, 5-3.

at Tampa Bay. Hogue fired a shot from the slot past Daren Puppa for the winner. Hogue's other goal came with 55 seconds remaining in regulation, off a scramble in front of the net as Toronto avoided its second consecutive loss.

Canucks 2, Panthers 2 In Miami, Scott Mellanby scored a pair of goals, and Florida staged another third-period rally to tie Vancouver. The tie snapped

Florida's seven-game winning streak, but allowed the Panthers to remain unbeaten in their last eight contests.

Mellanby scored both goals on tip-ins from slap shots by Jason Woolley.

Devils 2, Bruins 2 In Boston, Valeri Zepelukin's third goal of the season, with 3:04 left in the third period, gave New Jersey the tie to snap a three-game winning streak for the Devils.

Shawn McEachern scored at 1:11 of the first period on a rebound to give the Bruins a 1-0 lead. Ted Donato's fifth goal made it 2-0 at the 3:36 of the second period.

Ricard Persson scored his first NHL goal at 3:09 of the third period as the Devils cut the lead to 2-1.

Blackhawks 2, Rangers 1 In Chicago, Jeremy Roenick scored a questionable short-

handed goal and added an assist for Chicago. Eric Daze and Joe Murphy also scored for the Blackhawks.

But the Rangers were blanked by Ed Belfour after Ray Ferraro scored 7:49 into the game.

Belfour made 20 saves, and Chicago killed off all six New York power plays as the Rangers' five-game unbeaten streak ended.

# Nelson's Triumph: In Oakland, Knicks Trounce Warriors

The Associated Press  
Coach Don Nelson, who spent seven years guiding the Golden State Warriors before quitting in the middle of last season, was a winner in his return home Thursday night as the New York Knicks beat the Warriors, 120-97.

"I didn't have butterflies,"

but I was nervous," Nelson said. "It's difficult coming back the first time."

Nelson was met with a mix of boos and cheers when he walked onto the court at the Oakland Coliseum. Several fans held up an orange "We Love You Nelson" sign featuring a blue Statue of Liberty.

Chris Mullin and Tim Hardaway, two of Nelson's favorite players when he was with the Warriors, spent part of the game talking with their former coach. One time, while a Golden State player was shooting free throws, Hardaway stroled past the New York bench to check out Nelson's suit.

"It was nice to see him," Hardaway said. "He's dressing nice."

Derek Harper scored all 22 of his points in the second half for the Knicks. Patrick Ewing added 20 and John Starks 18. Charles Oakley had 15 points and 10 rebounds.

New York took an 8-0 lead, but trailed, 51-47, at halftime. The Knicks rallied for an 87-78 lead after the three quarters, and the Warriors got no closer than nine in the final period.

Rookie Joe Smith had 14 points and 12 rebounds for Golden State.

Kings 105, Trail Blazers 102 Surprising Sacramento snapped a 23-game losing streak in Portland on Mitch Richmond's go-ahead basket with 23 seconds remaining.

The Kings, who moved from Kansas City to Sacramento 10 years ago, had not won in Portland since Jan. 26, 1986.

Richmond, who had 25 points, put the Kings ahead 103-102 with a 20-foot jumper while falling backward. After Rod Strickland, who led the Trail Blazers with 23 points, missed a jump shot, Lionel Simmons made two foul shots.

Rockets 115, Bucks 87 A day after beating Toronto with a last-second 3-pointer, Robert Horry scored a career-high 40 points to lead Houston in Milwaukee.

Horry hit 16 of 26 shots, including eight 3-pointers. On Wednesday night, also on the road, his only basket of the night in five tries beat the Raptors.

The Rockets won without Clyde Drexler, who sat out because of a bruised knee sustained in Toronto. Mario Elie scored 14 points while starting in place of Drexler, and Hakeem Olajuwon had 24 points and 12 rebounds.

Glenn Robinson scored 24 points for the Bucks.

Magic 89, Pacers 80 With both teams missing their stars, Orlando overcame Shaquille O'Neal's absence to win its sixth straight game.

Anfernee Hardaway scored 30 points and Dennis Scott 21 for the Magic. Orlando has won 36 in a row at home against Eastern Conference opponents since April 1994.

The Pacers played without starters Reggie Miller, Dale Davis and Mark Jackson and reserve Fred Hoiberg, all serving suspensions for their parts in a bench-clearing brawl with Sacramento Kings last week. Indiana also was minus starter Rik Smits and reserve Duane Ferrell, both out with injuries.

Clippers 103, Grizzlies 98 Loy Vaught had 19 points and 19 rebounds as Los Angeles rallied from an 18-point deficit for its fourth consecutive win. Vancouver lost its sixth in a row.

Brent Barry hit two 3-pointers in the last 2:36, including a shot that gave the Clippers their first lead in the second half at 97-96. Byron Scott scored 18 points for the Grizzlies.

## SCOREBOARD

### BASKETBALL

#### NBA STANDINGS

##### EASTERN CONFERENCE

###### ATLANTIC DIVISION

Team	W	L	Pct	GB
Orlando	7	1	.875	0
New York	6	2	.750	1
Miami	2	2	.500	2 1/2
New Jersey	3	3	.500	3
Washington	3	3	.500	3
Philadelphia	1	4	.250	4 1/2
Boston	1	4	.250	4 1/2

###### CENTRAL DIVISION

Team	W	L	Pct	GB
Chicago	4	1	.800	0
Atlanta	3	2	.600	1
Indiana	4	2	.667	1
Detroit	2	3	.400	2 1/2
Charlotte	3	3	.500	2 1/2
Milwaukee	1	5	.167	4
Toronto	1	7	.125	5 1/2
Cleveland	0	7	.000	6

###### WESTERN CONFERENCE

###### NW DIVISION

Team	W	L	Pct	GB
Houston	4	1	.800	0
Utah	3	2	.600	1
Dallas	3	2	.600	1
San Antonio	2	3	.400	2
Vancouver	1	4	.200	3
Albuquerque	1	4	.200	3
Denver	1	4	.200	3

###### PACIFIC DIVISION

Team	W	L	Pct	GB
Sacramento	4	2	.667	0
L.A. Clippers	3	2	.600	1
Seattle	3	3	.500	1
L.A. Lakers	4	4	.500	1
Phoenix	2	4	.333	2 1/2
Portland	2	5	.286	3
Golden State	2	6	.250	4

### THURSDAY'S RESULTS

Team	W	L	Pct	GB
Indiana	17	24	.413	0
Orlando	33	19	.633	0
1st Pickers	7-14	3-17	.296	0
2nd Pickers	8-14	2-21	.370	0
3rd Pickers	10-15	11-11	.476	0
4th Pickers	12-15	11-11	.520	0
5th Pickers	12-15	11-11	.520	0
6th Pickers	12-15	11-11	.520	0
7th Pickers	12-15	11-11	.520	0
8th Pickers	12-15	11-11	.520	0
9th Pickers	12-15	11-11	.520	0
10th Pickers	12-15	11-11	.520	0

### MAJOR COLLEGE SCORES

#### FIRST ROUND

Team	W	L	Pct	GB
Georgia Tech	10	4	.714	0
Temple	6	5	.545	1

### HOCKEY

#### NHL STANDINGS

##### EASTERN CONFERENCE

###### ATLANTIC DIVISION

Team	W	L	Pct	GB
Florida	14	4	.778	0
N.Y. Rangers	11	6	.643	3
Philadelphia	10	6	.625	4
New Jersey	10	6	.625	4
Washington	9	7	.563	5
Golden State	4	10	.286	10
N.Y. Islanders	3	12	.200	11

###### CENTRAL DIVISION

Team	W	L	Pct	GB
Pittsburgh	9	2	.818	0
St. Louis	10	7	.588	1
Minnesota	10	7	.588	1
Chicago	10	7	.588	1
San Jose	10	7	.588	1
Calgary	10	7	.588	1
Edmonton	10	7	.588	1
Los Angeles	10	7	.588	1
San Jose	10	7	.588	1
Calgary	10	7	.588	1
Edmonton	10	7	.588	1
Los Angeles	10	7	.588	1

###### PACIFIC DIVISION

Team	W	L	Pct	GB
San Jose	10	7	.588	0
Calgary	10	7	.588	0
Edmonton	10	7	.588	0
Los Angeles	10	7	.588	0
San Jose	10	7	.588	0
Calgary	10	7	.588	0
Edmonton	10	7	.588	0
Los Angeles	10	7	.588	0

### THURSDAY'S RESULTS

Team	W	L	Pct	GB
San Jose	10	7	.588	0
Calgary	10	7	.588	0
Edmonton	10	7	.588	0
Los Angeles	10	7	.588	0
San Jose	10	7	.588	0
Calgary	10	7	.588	0
Edmonton	10	7	.588	0
Los Angeles	10	7	.588	0

### MAJOR COLLEGE SCORES

#### FIRST ROUND

Team	W	L	Pct	GB
Georgia Tech	10	4	.714	0
Temple	6	5	.545	1

### HOCKEY

#### NHL STANDINGS

##### EASTERN CONFERENCE

###### ATLANTIC DIVISION

Team	W	L	Pct	GB
Florida	14	4	.778	0
N.Y. Rangers	11	6	.643	3
Philadelphia	10	6	.625	4
New Jersey	10	6	.625	4
Washington	9	7	.563	5
Golden State	4	10	.286	10
N.Y. Islanders	3	12	.200	11

###### CENTRAL DIVISION

Team	W	L	Pct	GB
Pittsburgh	9	2	.818	0
St. Louis	10	7	.588	1
Minnesota	10	7	.588	1
Chicago	10	7	.588	1
San Jose	10	7	.588	1
Calgary	10	7	.588	1
Edmonton	10	7	.588	1
Los Angeles	10	7	.588	1

###### PACIFIC DIVISION

Team	W	L	Pct	GB
San Jose	10	7	.588	0
Calgary	10	7	.588	0
Edmonton	10	7	.588	0
Los Angeles	10	7	.588	0
San Jose	10	7	.588	0
Calgary	10	7	.588	0
Edmonton	10	7	.588	0
Los Angeles	10	7	.588	0

### THURSDAY'S RESULTS

Team	W	L	Pct	GB
San Jose	10	7	.588	0
Calgary	10	7	.588	0
Edmonton	10	7	.588	0
Los Angeles	10	7	.588	0
San Jose	10	7	.588	0
Calgary	10	7	.588	0
Edmonton	10	7	.588	0
Los Angeles	10	7	.588	0

### MAJOR COLLEGE SCORES

#### FIRST ROUND

Team	W	L	Pct	GB
Georgia Tech	10	4	.714	0
Temple	6	5	.545	1

### HOCKEY

#### NHL STANDINGS

##### EASTERN CONFERENCE

###### ATLANTIC DIVISION

**To our readers**



